AMERICAN CATTLE PRODUCER

Volume XVIII | DENVER, COLORADO | Number 10

MARCH 1937

OFFICIAL ORGAN OF THE
AMERICAN NATIONAL LIVE STOCK ASSOCIATION

PUBLISHED MONTHLY

ONE DOLLAR A YEAR

CONSUMERS CANNOT EAT LIVE ANIMALS

In daily touch with every meat, dairy and poultry consuming city, town, and hamlet in the United States

CITY consumers cannot eat live cattle, hogs, sheep, and calves. Livestock must be made into meat before it can be eaten by the consumer.

In order to change livestock into meat, many services must be performed. These cost money. The number of services required by consumers is far greater in the United States than in Europe. For example, in the United States, the hog is separated into dozens of different cuts. Bacon, hams, shoulders, and other cuts are wrapped attractively, some in transparent wrappers. The Danish hog is cut into two sides and is sent to England where it is known as "bacon." These, along with other similar economic factors, explain the reasons why the "spread" between what consumers pay and producers receive is wider in the United States than in Sweden, Denmark, Holland and other European countries.

In spite of the greater services demanded by American consumers, the efficiency in the packing business of the United States enables it to average to return to producers from 75 to 85¢ out of every dollar that it receives for its meats and by-products. During 1936, the money that Swift & Company received for its meats, butter, eggs, poultry, cheese, hides, glands, sheepskins, and dozens of other products and by-products was paid out as follows:

76.0	**cents**	**went to producers of livestock and other agricultural products**
10.6	"	**went for Labor (including wages and salaries)**
3.4	"	**went for Transportation**
.2	"	**went for Interest**
4.1	"	**went for Supplies**
4.2	"	**went for Rents, Taxes, Refrigeration, Insurance, Pensions, Traveling, Telephone, Telegraph, Stationery, Depreciation and other expense items**
		Balance remaining with Swift & Company:
1.5	"	**Net Earnings**
100	**cents**	

Swift & Company

Over a period of years, Swift & Company's net profits from all sources have averaged only a fraction of a cent per pound

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Meat Trade Runs into Trouble

BY JAMES E. POOLE

DISCONTENT IS RAMPANT IN commercial live-stock circles. This statement embraces those engaged in processing and distribution. The winter market has not lived up to its advertisement, for which circumstances wholly fortuitous are partly responsible. Industrial disturbances stagnated wholesale meat trade, reflecting a similar condition at the block, where retailers pass their merchandise along to the ultimate consumer, who has a confirmed habit of balking when prices soar.

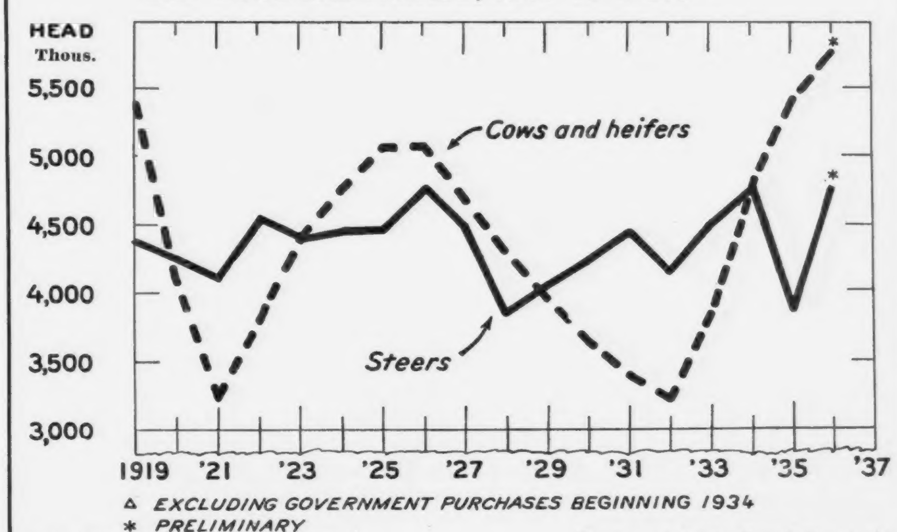
Not only the General Motors strike, but scores of similar outbreaks on a smaller scale put a crimp in distributive channels. Temperatures over a large section of the map were unusually high, which is never calculated to stimulate meat consumption; and continued imports, generous and constantly swelling storage stocks, and plenitude of other foods were adverse influences. Federal relief agencies concentrated their buying on eggs and fish, not illogically, as these commodities were actually and relatively cheap. The undertone of the fat-cattle market is discouragingly soft, weak, or whatever term may be appropriate, and had beef tonnage been even slightly increased, depreciation would have been inevitable. The hog market, adversely influenced by huge domestic stocks of lard and meats, is a weak sister, and killers have been under the necessity of going to the cooler with a considerable tonnage of lambs that would have demoralized an indifferent market had current production been subjected to forced sale.

Costly Feeds Force Marketing

At Chicago a $14.65 top was made on heavy steers—one load at the price. As the month wore on, weight went to a premium, relegating yearlings to second place. On the midweek market at the end of the month, long-fed steers approached the vanishing stage, sales above $13.50 could be counted on the fingers of one hand, and a large percentage of the steer crop, regardless of weight, went over the scales in a range of $9.50 to $11.50 per cwt. Feed scarcity, developing prohibitive cost of making gains, prematurely dislodged thousands of qualitied steers 60 to 120 days in advance of their usual pilgrimage to market. Killers complained of "too many cattle of the same type," short-feds selling at $9 to $10.75 per cwt. and weighing 950 to 1,075 pounds. These frequently exhibited glacial celerity in moving toward the scales, necessitating a carry-over that is rarely satisfactory, although a favorite play with shippers. The market movement was regular until the last week in February, when blizzards, high water, and slippery highways upset the rhythm of the trade, creating price flurries in both directions, incidentally injecting the element of luck. Persistently and consistently killers are resisting every attempt to add a dime per cwt. to the cost of their raw material—a set policy they are not likely to abandon.

Other phases of the cattle trade exhibit the same charactistics as the steer market. Finished heifers are as scarce as long-fed steers—a fact responsible for a wide price range. A few specialties weighing 800 to 1,000 pounds sell at $9.50 to $12.25; the rank and file of heifers cash at $7.50 to $8.50, and there

Federally Inspected Slaughter of Steers and Cows and Heifers, 1919 to Date△



U. S. Department of Agriculture — Bureau of Agricultural Economics

(Published at 515 Cooper Building, Denver, Colorado, by the American National Live Stock Association Publishing Company. Entered as second-class matter June 11, 1919, at Post Office at Denver, under Act of March 3, 1879. Acceptance for mailing at special postage provided for in Section 1103, Act of October 3, 1917, authorized on September 21, 1921. Subscription price: United States, $1.00 a year; Canadian and foreign, $1.50.)

is a conspicuous ragtag end selling down to $6, or even less, for which demand is always urgent. A few fat cows earn $7 to $7.75, the rank and file of butcher cows are found in the $5.25 to $6.50 range, and the cutter and canner end finds a broad outlet at $3.50 to $4.75 per cwt. Bulls are prize packages at $5.75 to $6.50, scarcity and demand for sausage material furnishing strong support. Naturally corn is too expensive to fatten cows, as gain cost is 100 per cent in excess of realization prices. Similarly, low-cost steers have been dumped, as they have always found prompt bidding, and, selling anywhere from $5.50 to $7.50, tucking feed into them was tantamount to throwing money to the little birds.

Feed Scarcity Everywhere Evident

As the burden of cattle feeders' plaint is excessive cost of corn and its substitutes in the feed-box, which has involved an expenditure of 15 to 17 cents per pound to make gains, killers are eloquent concerning low dressing yields. Another favorite topic of conversation is the sluggish beef market. Labor disturbances crippled beef trade whenever a few "sit-downers" tied up factories, large or small, as bovine product invariably bears the brunt of such vicissitude. Sales resistance developed as retail prices were marked up, which merely reiterates the axiom that high prices arrest consumption. That the rank and file of the steers laid in last fall were unloaded far short of finish was a saving factor, as this marketed the winter crop in orderly fashion at popular weights and at a stage of development where the meat did not carry waste fat. Supply of low-cost cattle was below normal for the season, as feeders sidestepped common steers last fall on the theory that they would not liquidate an expensive board bill. With the possible exception of long-feds, the entire crop paid a board bill plus a reasonable profit, margins of $3 to $4 per cwt. between first cost and disposal price having been the rule. Short-feds, 90 to 120 days, showed maximum profits, and heavy steers had the inning usually accorded them when the feed bill aviates.

Every week's cattle supply at the markets since the turn of the year has advertised feed scarcity. They constituted the aftermath of 1936 drought. Each week thinned the upper crust of the supply, swelling the mass in middle grades. By early March a drove of long-fed cattle good enough for New York kosher or Boston trade was rare, 1,500- to 1,600-pound steers attained the highest altitudes in several years, and it is probable that more of that type could have been used at the prices, killers resorting to time-honored strategy in such emergencies by substituting the less desirable carcasses, which put what amounted to a premium on weights of 1,200 to 1,300 pounds, selling at $12 to $13.50. Even decidedly plain cattle got prompt action, while light cattle dawdled at the hay-rack. Where cooler accumulation developed, the bulk was lightweight beef—the product of cattle in the middle price range. Common product moved with seasonal celerity.

Feeders Lack Enthusiasm

Ask a score of cattlemen with wiseguy reputation as to what the late spring and summer market has in store, and they will equivocate, declining to commit themselves to any definite forecast. Feeders who were in high fettle last September are also diffident and discouraged. The great majority of beef makers are congenital optimists—a mental attitude that has frequently invited trouble. On this occasion they detect so many unfavorable omens on the horizon that they lack enthusiasm. Admittedly current cattle and beef prices are high when consumer attitude and willingness to pay is reckoned with. Boosted prosperity needs to be taken with a grain of salt, as a considerable element of the population has not participated to an extent that makes free monetary expenditure possible. Consensus in trade circles is that, regardless of supply, maintenance of present cattle prices is all that can be expected. There will, of course, be seasonal shuffling between grades. A $15 top at Chicago is in the offing, as prime heavy bullocks will be scarce enough to justify the price on a few loads, and it is possible that $12.50 to $13.75 steers with weight and finish will move up a few notches. In the middle and lower reaches of the price list, seasonal adjustment is inevitable. During the next 60 to 90 days violent weekly fluctuations are inevitable, as whenever killers are under the necessity of buying for numbers on short runs, reactions are inevitable when the country rushes to market to take advantage of the rise. Owing to the facility with which trucks get over the highway, that transportation method is largely responsible for alternate feast and famine supplies.

Industrial turmoil is the major concern in meat distributing circles. The present prospect is somewhat analogous to that of 1893, when Gene Debs' railroad union went on much the same spree as Lewis' Committee for Industrial Union has launched. Initiated in the sphere of motor production, the new-style strike has already spread to other manufacturing spheres, actually threatening to invade transportation and steel. The major external trouble threat lies in the direction of South America, not ignoring continued heavy imports of canned product. The Argentine "convention" is still drowsing, having been obscured by pending court legislation.

Poole Summarizes Prospects

Heavy long-fed bullocks disappearing;

Spreads in choice and common steers will widen;

Beef tonnage will be sharply curtailed;

Price upturn in hogs logical;

Lamb supply faces brief gap, but, barring spring bare spots, will be in plenty.

Low Supplies in Prospect

Estimates concerning beef supply during the ensuing six months vary widely. March found visible supplies in the Corn Belt at the lowest ebb in many years, both with respect to tonnage and cattle numbers. The residue of the crop of steers acquired last fall is in strong hands but is being expensively fed, largely on such corn substitutes as molasses, cottonseed cake, and soy-bean meal, involving heavy cash outlay. Replacement has been light all winter, as killers have outmatched feeders in buying fleshy steers. Texas will make a seasonal contribution, but it is improbable that price smashing will develop in that quarter. Pennsylvania has about 25 per cent more steers on feed than at the corresponding time last year but will not crowd eastern markets with them. Kentucky has its usual holding; Ohio feeds calves and will not be heard from until later in the season; Indiana, Illinois, and most of Iowa are short; and the customary supply of fat bullocks Nebraska sends will not be in evidence. Some cattle are going to the country, the bulk through central market gateways, where they are subject to enumeration; but this movement carries few fleshy steers susceptible of a speedy finish and early return to market. Spring and summer supply prospects are exactly the reverse of a year ago, when the entire Corn Belt was full of cattle, nursing an invalid market until it had crashed $3 to $4 per cwt. when restrained liquidation became inevitable.

Feed bills will hasten to the shambles the 1937 crop of yearlings that went into Corn Belt feeders' hands last fall. They have wintered well and if the market is in receptive mood will run 30 to 40 days earlier than usual, at lighter weights. Current scarcity of genuine yearlings has created a demand for the "phoney" type, desirable short-fed steers on the yearling order selling at $10.50 to $12, according to condition, weight, and quality. Long yearlings, 1,100 pounds or thereabouts, are selling at $14 or better and are as scarce as prime heavy bullocks. Heifers will precede steers to market, as they condition earlier and are realizing attractive prices—$9 to $10.50, with specialties at $12 to $12.50. Dearth of finished strong-weight yearlings, both steers and heifers, is a certainty; prices will be determined

by consumers' humor. Iowa, Indiana, and Ohio conceal the usual summer supply of little cattle, the deficiency being in the short corn crop area last year.

Higher Stocker Prices Expected

Stock cattle trade is still hibernating. Market supplies are light, feed is scarce, the rise of grass distant, and potential buyers in waiting mood. East of the Missouri River pasture prospects are excellent, and cattle of some kind will be needed to consume that forage. Early birds have been picking up nondescript light steers at $6 to $6.50 per cwt., paying $7 to $7.75 for better cattle; but standard whitefaces are without an established market, although several droves of yearlings have recently been bought on Illinois account in Colorado at $8.25, which means close to $9 laid down. Feeders are watching spring stock cattle trade developments in the Southwest to get their bearings, exercising patience meanwhile. Uncertainty respecting the Argentine problem will deter some from laying in cattle, especially as the limit is off corn production, and with cribs bare nearly everywhere, arable pastures will be put into grain. In any event the Corn Belt will need cattle in considerable numbers despite supercaution on the part of potential buyers. Lush pastures will prompt purchases of light cattle of the nonedscript type to graze through the summer and go on feed next fall. Apprehension of scarcity of stock cattle with higher prices is general.

Swine Market Torpid

Heavy stocks of lard and cured hog meats are exerting a depressing influence on hog prices. Continued imports of foreign meats, mainly Polish hams, are another handicap. Although Poland is the heaviest contributor, Esthonia, Denmark, Hungary, and South America are sending what amounts in the aggregate to an enormous pork tonnage into this market, packages coming from England, Italy, and the Irish Free State. Continuance of this trade is probable, as at present domestic hog prices the tariff is easily nullified. Polish hams are on sale in every city and town east of the Rocky Mountains and have acquired such popularity as literally to paralyze domestic ham trade, as prices are on a parity. The Polish element is largely responsible for the traffic, the enormity of which is seen in receipt of 650,000 pounds at New York in one week early in February, these figures marking flood tide. Retailers assert that they have been coerced into carrying this product by customers. The product comes in cans, is perfectly cured and cooked, and is extensively used in restaurants and delicatessen shops. Meanwhile the swine market is torpid. Packers have no difficulty in holding drove cost around $10 at Chicago, despite moderate receipts. Fluctuations from day to day are narrow, not to exceed 25 cents per cwt., and whenever a mild slump occurs the country cuts supply. So far as finish is concerned, the residue of the 1936 hog crop is in much the same position as the feeder cattle purchase last fall—in strong hands as a result of class marketing. The fall pig crop has been persistently unloaded at substantial penalties, 140- to 170-pound shoats cashing at $8.50 to $9.50, while good hogs of 180 to 250 pounds have sold at $10 to $10.25. Cattle came early, with the hogs following them for the same reason—high feed cost. Weight has gone to a premium, heavy butchers taking the big end of the stick, which implies scarcity, as there is no broad demand for heavy meats. Packers are in possession of the heaviest accumulation of lard and meats in several years and are constantly adding tonnage. So far the sluggish hog market has made inventory profits on this holding impossible; but they see a way out in early liquidation of the crop, reduced slaughter, and diminished weight, as a normal spring and summer marketward movement is impossible. Once the crop is in, owners of these piles of meat will be interested in higher hog prices as a means of valorizing their property. The new spring pig crop is arriving under favorable conditions and will receive maximum care, as growers are confident that it will be worth more money. Fewer sows will be farrowed than last spring, but this does not necessarily mean less pork, as spring mortality may be an influence, and at the maturity stage, cost of corn and the relative price positions of corn and hogs will determine meat yields.

Soy Bean Important Future Factor

On a 9½-cent farm basis, or less, this crop of hogs has not been profitable to growers, but there is a general disposition to increase breeding operations the moment physical conditions make rehabilitation possible. The principal swine shortage area is west of the Missouri River—in the Dakotas, Nebraska, Kansas, and the Southwest generally. Kansas City, with a killing capacity of about 100,000 hogs weekly, is handling between 10,000 and 15,000, all Missouri River markets running light. Pork is a corn product, but feeders are using soybean meal and molasses freely—a habit that once acquired will stick, although corn will return to general use when cribs are replenished. The immediate task of the Corn Belt, however, is not expanding swine production but acquiring feed—an objective that necessitates an expansive corn acreage. Control of neither hog nor corn production exists at the moment, but should a price-breaking corn crop be garnered next fall, necessitating pegging by the government, voluntary acreage restrictions will be resumed, and in the event of a burdensome surplus, positive control is intimated as a last resort. An important factor in future pork production is determination that soy-bean meal from which the oil has been extracted is excellent hog feed, eliminating packers' objection to soft meat.

Lambs Hit High Spot

Lamb feeders have had difficulty in recovering money invested, plus expenses and feed bills. However, the market has been on an even keel all winter, reaching the high spot of the season late in February, when $10.50 to $11 per cwt. took the bulk of fed lambs at Chicago, the top going to $11.15. Corn Belt feedlots were practically vacant at the inception of March, the visible supply being mainly in the hands of Colorado and Nebraska feeders, who are in a position to nurse the market although anxious to unload to terminate an onerous feed bill. A seasonal "dead spot" in the wool market gave lamb trade a few jolts in February, prices breaking 50 to 75 cents at the middle of the month, from which recovery was prompt. An unexplained development was a freezer accumulation of 10,000,000 pounds of lamb by February 1, the only plausible explanation being that the stuff was tucked away to avert a crash in the dressed market, also to provide a buffer should a bare spot develop in April, when the bulk of winter-fed lambs has disappeared. Shorn lambs are scarce, no incentive to take off fleeces existing with a spread of $2 per cwt. between the two classes.

Fat sheep are selling at $5 to $6.25 per cwt.—prices that indicate scarcity, as the market can get along with little mutton. All winter the dressed market has been soft, requiring assiduous nursing.

Prices Promise To Hold

California is credited with losing about 500,000 spring lambs during January, reducing the prospective supply to about 2,000,000 head, which means substantial reduction of the number available for eastern shipment from that source, with no certainty as to condition. Packers who usually have buyers in the field during February have been in the absentee class this year, having determined to pursue that policy until the condition of the crop is settled. Texas, which has an inestimable number of yearling lambs will necessarily curtail marketing, as the great bulk was set back by a January freeze, and while the fat portion of the holding will be cashed, the main part must be carried possibly another year, or at least until northern feeders are in a position to buy, which will not happen until feed cost is reduced. Buying Texas yearlings to finish on corn costing in excess of $1 is impossible. All this promises maintenance of prices, with possibility of a temporary advance during a spring bare spot, when California is usually a factor and Texas a contributor. Just how many yearlings, wethers, and ewes Texas conceals nobody knows, not even the statisticians,

(Continued on page 21, under "Markets")

Sound Program for Fats and Oils

BY A. L. WARD

Educational Director, National Cottonseed Products Association

THE MEASURE OF SUCCESS OF an organization, as of an individual, is the ability to meet the changes that time brings. Unless a person or an organization has this capacity, it will soon be crowded out of the picture; its usefulness and its very existence will end. The American National Live Stock Association has been, and is today, alive and stronger than ever before because of the far-sighted leadership that has enabled you, as individuals and as an organization, to recognize, understand, and conquer new problems and new difficulties—issues that would have seemed strange indeed forty years ago.

It is not necessary for me to review these new problems that you face and are solving today. But I am going to ask you to think a minute about how hard it would have been for me if in a speech forty years ago I had started talking about reciprocal trade agreements or sanitary conventions or even a National Live Stock and Meat Board. I would have had to spend hours explaining what these terms meant, and it would have taken me a long time to convince the stockman of forty years ago that these problems meant anything to him. But today all of you are familiar with these terms and all of you know how much they mean to you and to the American National.

Importance of By-Products

By-products, fats and oils, oleomargarine—these are among other phrases that would have had little meaning to the stockman of forty years ago. Perhaps some of you today feel that they are problems of minor importance, that they mean little to you as an individual, and that you can afford to ignore them. But I believe that the majority of you will agree with me that the problem of an adequate and profitable market for American fats and oils is of major importance to every American stockman as well as to every other American fats and oils producer, whether he is a cotton grower, a soy-bean or peanut producer, or a dairyman.

By-product is a word that probably accounts for the lack of interest on the part of some producers in the very important question of markets for fats and oils. After all, what is a by-product? I might remind you that it was not much more than forty years ago when many cattle were raised almost exclusively for their hides, and the meat was left, valueless and useless, to rot, or was perhaps saved only for the tallow that could be obtained. Certainly in those days beef was a by-product; but just as certainly the cattleman of today would have a hard fight to make any money out of raising steers for their hides and paying little or no attention to the beef-producing qualities of the animal because beef was a by-product.

A. L. WARD

The same thing is true of the sheepman. Whether the mutton or the wool is the by-product depends upon the breed of sheep in some cases or upon the type of management practiced on a particular ranch. Surely no intelligent sheepman of today is going to sit idly by and let the mutton market go to the devil simply because wool is his primary interest. . . .

Oleo Oil a Price-Determining Factor

Oleo oil and oleo stearine are two important by-products of the live-stock industry. Their value helps determine the value of every steer that goes to the stock yards. Oleomargarine, as its name implies, is an important outlet for oleo oil and oleo stearine. As a live-stock producer, you have an interest—a real dollars-and-cents interest—in oleomargarine, even though you may not have realized that oleomargarine affects your pocketbook.

You have heard it said by those who are not interested in the outlets for your products that the oleomargarine business offers you a very limited outlet for your oils and tallow. In reply you can admit that the present oleomargarine law was established by the dairy lobby for the purpose of limiting the outlet for oleomargarine, consequently limiting the outlet for edible beef fats and oils. As producers of domestic fats, you all stand for an oleomargarine law that will restrict the sale of oleomargarine containing foreign oils and fats, but, since a superior oleomargarine can be made and is being made from 100 per cent domestic fats, you are opposed to the law in its present form that restricts the sale of domestic oleomargarine.

It is because of the restrictions on the sale of oleomargarine made 100 per cent of domestic ingredients that the cattleman, the cotton grower, and the soybean producer are justly complaining about the law that definitely denies them their rights to American markets.

Oleomargarine made of domestic oils and fats is a wholesome, palatable table fat needed by millions of American families. Why should it be outlawed to satisfy the selfish interests of one special group of producers and manufacturers?

Excise Tax Needed

The American National Live Stock Association, the Texas and Southwestern Cattle Raisers' Association, the cotton growers, and the various cotton oil mill associations joined with the dairy organization and other domestic fat producers in 1933 and 1934 in securing excise taxes on foreign oils and fats. These taxes were needed to protect the domestic fat and oil producers in the markets of the United States.

During the winter of 1933-34, before we secured the excise tax on certain imported oils, American fats accumulated until more than 1,000,000,000 pounds were in storage. Tallow and cotton oil sold for less than three cents a pound. Following the effective date of the excise tax, American oils and fats started the upward trend that added millions of dollars to the income of cattlemen, cotton growers, dairymen, and other domestic fat producers.

During 1935 it became apparent that manufacturers were buying heavily of fats and oils that we had overlooked or thought not necessary to include in the excise tax list. Your association and the Texas organization joined with ours and other American producers and processors in 1936 in requesting Congress to close the loopholes in the excise tax measure. Congress responded by adding tallow and other oils and oil-bearing seeds that were being imported in large volumes. This protection through an excise tax on certain of the foreign oils is the first step in a sound fats and oils program; but, important as it is, the problem of imports of foreign oils and fats is only one phase of the problem of increasing the consumption of American fats and oils. The second phase of a sound program for domestic fats and oils producers—and one that is far from being solved—is the problem of securing equal rights for oleomargarine and other products made of beef fats, cottonseed oil, and other American

Excerpts from address delivered at fortieth annual convention of American National Live Stock Association, held in El Paso, January 12-14, 1937.

fats and oils right here in our home markets.

Equal Rights at Home

I am sure that practically all of you are familiar with the fact that many states have prohibitive taxes and license fees on all oleomargarine and on the manufacturers, distributors, and retailers of oleomargarine. I know that you recognize the vital importance of removing these unfair restrictions in so far as they apply to oleomargarine made 100 per cent of American fats and oils. For that reason I am not going to discuss in detail these state taxes and regulations. I urge you to talk and write and act at every opportunty to secure the repeal of these laws. The absurdity of these laws is apparent to all. Applied to other domestic agricultural products, we would find the sheepman demanding a tax on cotton, in order to force industries and consumers to buy more wool. The sheepman might even propose to tax beef in order to force the consumption of more lamb and mutton. The cane sugar growers of the South would demand a tax on beet sugar of Colorado and other western states in order to sell more cane sugar. The maple syrup producers of Vermont and Maine would be demanding a tax on cane syrup and corn syrup, and the sugar cane growers would propose a tax on sorghum syrup. Ridiculous as such laws sound, they are parallel with the law that taxes oleomargarine made 100 per cent of domestic ingredients.

But the lobby demanding a tax on domestic margarine claims that such a tax is necessary to protect the dairy industry. I have recently talked with a number of dairy farmers and dairy leaders and I find that most of those with whom I have discussed the matter do not share the opinion of the organized lobby leaders on this issue. Let us look at the facts. A recent bulletin of the Department of Agriculture indicates that an adequate diet of an individual should include 36 pounds of table spread per year. The present per capita consumption of butter in the United States is approximately 19 pounds and the per capita consumption of oleomargarine is 2½ pounds, making a total of 21½ pounds, or a shortage of 14½ pounds, of table spread per capita in the United States. The great dairy nation of Denmark consumed per capita, in 1935, 20.7 pounds of butter and 48.7 pounds of oleomargarine.

Why do we not consume more butter in the United States? The answer is that the income of millions of families is too low to enable them to buy butter at the price of butter in the United States.

Oleomargarine Consumption Restricted

Why, then, do they not buy oleomargarine? The answer is that the present oleomargarine law with its tax on all oleomargarine, including domestic oleomargarine, and the license fees on manufacturers, wholesalers, and retailers so restricts the manufacture and distribution of oleomargarine that oleomagarine is not available in more than 25 per cent of the food stores of the United States. As a consequence, the low-income families of the United States are denied a wholesome table spread that can be made of 100 per cent domestic ingredients.

The Department of Agriculture of the State of Iowa estimated in 1929 that at least 20 per cent of the people in this country used neither butter nor oleomargarine on their tables. In other words, at the very peak of our prosperity in 1929 at least 25,000,000 Americans were not able to enjoy what most of us consider as one of the bare necessities of our daily existence. It is impossible to estimate how many other families consume less than an adequate amount of fats, even though they are able to buy a portion of the quantity that they should have in their diet.

All Fats Producers Can Profit

The smart dairy farmers with the facts in front of them can readily see that the increased use of oleomargarine by those who cannot afford to buy butter will not decrease the per capita consumption of butter but will move into consumption more fats, which will be a help to all fat producers, including the butter-fat producers.

The program advocated by your Legislative Committee, the Texas and Southwestern Association, the cotton growers, the cotton oil mills, and by consumers and all who are genuinely interested in the welfare of producers and consumers is a simple program. It is clear in its purposes and its meaning, and for that reason can be stated in a few words.

This program is:

"Adequate restrictions on margarine containing foreign fats and oils and the removal of un-American restrictions on margarine made 100 per cent of American fats and oils."

This program can be accomplished through the simple process of amending present laws, both federal and state, so that their restrictions will not apply to margarine made 100 per cent of American fats and oils, while giving American producers adequate protection against margarine containing foreign fats and oils. The provisions of the law that requires the sale of margarine in original packages properly labeled should remain as they are.

Benefit Millions of Consumers

You are primarily interested in this program from your standpoint as a producer of a fat used in a legitimate American product—oleomargarine. As a producer, you can easily see that this program will greatly benefit you and those who supply other American products used in making oleomargarine. This all-American fats and oils program will also benefit millions of American consumers who need help and who have the right to buy an essential food without taxes other than those applied on other food products. This program is your program and our program. This program is an American program that recognizes the human rights of all American citizens of the United States. Selfish interests, strongly intrenched, will oppose you. Therefore it is necessary and essential that each of you, as individuals, be ready to respond to the call of your leaders for help in this fight that means more than dollars and cents in your pockets. It means the fighting for a principle—the fighting for property rights and human rights.

Some Penalties of Overgrazing

Effects of overgrazing on cost of range calf production are shown in the below data from a range experiment conducted for three years near Miles City, Montana, by the Northern Rocky Mountain Forest and Range Experiment Station in co-operation with the Bureau of Animal Industry. In this experiment 60 young, high-grade Hereford cows were divided into three equal lots for grazing at different intensities on adjacent year-long range pastures aggregating 1,867 acres.

Summary, Three Years	20 Cows, Lot 1 Overgrazed Range		20 Cows, Lot 2 Moderately Grazed		20 Cows, Lot 3 Lightly Grazed	
	Amount	Cost	Amount	Cost	Amount	Cost
Acres range per cow*	23.1	....	30.5	....	38.8	....
Range cost, 10 cents per acre	....	$138.60	....	$183.00	....	$232.80
Suppl. feed, hay, tons	64.02	....	53.22	....	49.03	....
Hay, cost at $8	....	$512.16	....	$425.76	....	$392.23
Total cost, three years	....	$650.76	....	$608.76	....	$625.03
Calf crop, no., three years	42	....	52	....	46	....
Calf crop, per cent, average	70	....	86.7	....	76.7	....
Av. weaning weight	277.9	....	321.3	....	326.3	....
Av. calf weight per cow†	194.5	....	278.4	....	250.1	....
Tot. weaning wt. three-years	11670	....	16706	....	15010	....
Feed cost per calf lb., cents	....	5.58	....	3.64	....	4.16
Comparative cost, with Lot 2 as 100 per cent	....	153.3%	....	100%	....	114.3%

* Average grazing use about ten months per year 1932-1935.

† Total weaning weight of calves about six months old, prorated to 20 cows.

Apparent Trends in Beef Business

BY PAUL SMITH

Vice-President, Swift and Company

BEFORE I GET INTO MY SUBject, I want to stress the fact that, in my opinion, all beef produced that is killed under federal inspection is good beef. In other words, it is good beef for the purpose for which it should be used. Every quality of beef that comes to market has a definite place and a definite purpose and finds an outlet through our modern marketing machinery.

The subject of modern marketing methods brings up the thought of some ancient history. It may interest some of you to know that if Europe had had refrigeration in 1490 these great cattle ranges of yours might still be owned by the Indians, because you may remember from your school history that Columbus was seeking a short route to the Indies to get spices. He wanted these spices for the preservation of meats and other foods.

Another thought that comes to mind is that Washington and his little ragged army starved all one bitter winter at Valley Forge, yet only fifty miles away there was an ample supply of cattle and corn.

The industry in which I play a small part, if it has done nothing else, has done two things: One, it has adopted modern refrigeration to the needs of all live-stock producers and consumers; and two, it has provided organization which brings from the areas of plenty to the sections of scarcity, thus doing away with fear of famine or oversupply and supplying a year round market.

Record Slaughter in 1936

Several events have taken place in the past year that are worthy of considerable study and consideration. The federally inspected slaughter of commercial cattle and calves combined for the year 1936 is estimated at 17,045,000 head—an all-time record. There are many who would say that this heavy slaughter indicates that range cattle sold at prices that were satisfactory to producers as a whole. I hesitate to make such a statement, however, because whether a price level is satisfactory or unsatisfactory to an individual depends entirely upon whether the individual made or lost money on his operations. Therefore, each of you individually as producers must be the judge as to whether price levels on range cattle during 1936 were satisfactory.

Fed cattle during the spring and summer of 1936 sold at prices that, generally speaking, lost money for a good proportion of the feeders. A study of past and present trends shows that, as a rule, whenever we have a corn failure, the following spring will see fat cattle prices on a very high level. This is followed in the fall by higher feeder prices, which again is followed the following spring by such an abundance of fat cattle that prices are unsatisfactory to the feeder. This is exactly what happened after the drought of 1934. From this it would appear as though the average feeder apparently pays more attention to last year's prices than he pays to broader trends.

If past experiences can be used as a guide, the spring of 1937 should see good quality beef selling at rather high levels, and if the summer of 1937 sees a good corn crop maturing, the fall of 1937 will see high feeder prices and the spring of 1938 will again see rather disappointing fat-cattle price levels.

Wide Fluctuations

The past year has seen rather wide fluctuations in prices paid for heavy steers, 1,300 to 1,500 pounds alive, and light yearlings, 600 to 800 pounds alive. These two classes of cattle usually show greater price fluctuations than other classes. It may interest some of you to know why we have a greater price fluctuation in these classes than in the others.

The large central and eastern livestock centers supply meat to a territory that extends from the Dakotas, Nebraska, Kansas, and Oklahoma to the eastern seaboard. The beef demand in the Dakotas, Nebraska, Kansas, Oklahoma, Missouri, and Iowa is, in the main, for yearlings weighing 650 to 850 pounds alive, with a very few carcasses out of cattle weighing 850 to 1,200 pounds alive.

As you travel east, demand calls for heavier beef until you reach Boston. The trade there generally prefers carcasses from cattle weighing 1,300 pounds and up, with only a few out of 1,100- to 1,300-pound cattle. Possibly 10 per cent of the New York City supply is out of 1,300-pound to 1,500-pound cattle.

The in-between weights have the broader demand practically the country over. For that reason you will see that markets will remain more constant on in-between weights of steers and cows that have the broad outlet over the greater part of the consuming territory, whereas more violent fluctuation will take place on both the extreme light- and extreme heavy-weight animals because demand for these classes is narrowed down to one particular section of the country.

It appears as though 1936 marks the beginning back to a normal kill of she-stuff. For five years prior to 1934 the percentage of she-stuff to the total federally inspected slaughter of cattle and calves varied from 41 to 47 per cent of the total slaughter. In 1934 the percentage of she-stuff slaughtered was 48.67; in 1935, 56.2—the largest in all history—and in 1936 it was back to approximately 52 per cent. Possibly the most violent liquidation in she-stuff has not passed.

Freezer Stocks Large

The year 1936 saw the freezing of the largest amounts of beef and veal in the history of this country, war years excepted. As practically all beef and veal is frozen in the fall for consumption the following spring, I believe January 1 figures on freezer stocks are the most interesting. At the close of 1936, it is estimated that there was stored in the freezers of this country 160,000,000 pounds of beef and veal. Although these figures seem large, when you consider that the total kill of beef and veal was around 6,000,000,000 pounds dressed weight, it means that only between 2 and 3 per cent is now in freezers. Stated another way, it means that all packers, wholesalers, and others have carried from the heavy killing year of 1936 between one and two weeks' supply of beef and veal into the year of 1937 when a lighter kill is expected. But this statement does not place frozen product in its proper place, compared with fresh product. It is conservative to say that there is never a time when there will be in the freezers of this country one day's requirement of the country for carcass beef and bone-in cuts. Practically the entire amount of beef and veal in the freezer is boned-out meat that in the main is used for sausage and prepared meats.

East and South Expand Production

The year 1936 saw the establishment or enlargement of quite a few packing houses in the Southeast. The past few years have seen a rather sharp increase in the production of live stock in both the southern and eastern sections of this country, and we know that these states have ambitious plans in regard to further expansion in the production of live stock. As to whether this is a permanent trend in production, of course, probably is dependent upon the cost to produce the meat and the prices of cotton and other crops.

Some fears have been expressed by western and southwestern growers because of this trend. If you will permit me to make a suggestion, I should like to stress the growing need for a study of production costs in the various live-stock producing areas of the country. In the final analysis, cattle as well as all other live stock will be produced in that section which can produce it the cheapest on a cost-per-pound basis. Manufacturers during the depression

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Address delivered at El Paso convention of American National Live Stock Association, held January 12-14, 1937.

again had to learn the value of knowing what their exact costs to produce were. They had to watch their production costs if they were to continue to operate and to keep their products competitive. It is just as necessary that you men who produce beef keep your production costs down to the point where the product will go into consumption on a competitive basis with similar product from other sections of the country, and, also, keep your costs down to a point where your products will be competitive with other foods.

In the past this western country could produce beef cheaper than it could be produced anywhere else in the United States. If this is still the case, you western cattlemen have nothing to fear from inroads that threaten from other parts of the country.

Best Beef Demand at Standstill

There is another trend in the beef business that I should like to touch upon. It is the thought of a great many people who are not directly in the beef business that there is a growing demand for choice and prime quality beef. Figures show that if the kill for the year 1936 were compared from a quality standpoint with the slaughter of fifteen or twenty years back, that last year would show a smaller percentage of ordinary grades of cattle killed than were killed years ago. It would, however, show practically the same percentage of choice and prime cattle as were killed some years back. In other words, the demand for high quality beef appears to be about static.

It is interesting to observe that if we take medium grade steers as a basis, the spread in live selling price between these medium steers and the choice and prime kind in the last fifteen years has become narrower. That is, not so much of a premium has been paid of late for prime steers over the medium kind as was paid fifteen years ago. Exactly the reverse is true when you compare prices of common steers with medium. In other words, common steers each year seem to be worth less to the killer when compared with the medium quality. I wonder if it is safe to assume from this that trade for choice-to-prime beef is not growing. If this is a safe deduction, I am inclined to think that possibly it is a good thing for our beef business.

The figures we have been able to get together indicate that the Chicago receipts—and, of course, Chicago will get a larger proportion of good quality beef than any other market in this country—consist of less than 1 per cent prime, about 4 per cent choice, and 22 per cent good quality, according to government grades. In other words, 26.5 per cent of all cattle received at Chicago are good quality and better; 73.5 per cent are so-called medium quality and lower.

Better Grades Overemphasized

In the interest of good business, I wonder if each one of us is not guilty of overemphasizing the importance of our so-called better grades of beef. I believe an average beef man will look upon this problem somewhat differently than a producer. We have set up in this country standards of quality that are peculiar in a great many respects. We recognize a carcass of beef as being prime if that carcass has outstanding conformation, a covering of fat that is generally wasteful; second, if the meat has flavor; third, if the loin can be cut into steaks, the steaks broiled, after which they must eat tender; and fourth, if the rib eats tender when served rare.

The peculiar thing about this type of judging quality is the fact that in the case of the rib 95 per cent of all women want their roasts well cooked, and more ordinary grades of meat are tender if well cooked. Probably 75 per cent of all men want beef roast well done, so that in the case of the rib we are setting up a standard that is desired by possibly 5 per cent of all consumers. When it comes to the loin, it is estimated that less than 10 per cent of all stoves used in the preparation of meat have broiling ovens. The broiled steak, in the main, is a delicacy that can only be had in hotels and restaurants, and for that reason to produce meat for broiling is to produce a class of product that is appreciated by an extremely small proportion of the consuming public.

The remainder of the prime carcass brings very little leftover as compared with a medium carcass. I estimate that 90 per cent of all consumers of beef do not want prime quality, even though the price is attractive as compared with the medium kind. The reason for this is that we have a large proportion of the people of this country who never want rare roast beef, who never broil steaks, who are accustomed to eating beef boiled, stewed, etc. It is a fact that people who stew and boil beef do not want prime and choice beef, even though it can be bought at the same price as the more medium grades. There is a class of trade that possibly will run 10 to 15 per cent of the total that wants beef that is graded good in quality; however, the large proportion of all customers again do not want good beef because of its wastefulness and the fact that the more medium grades are more desirable for the purpose that they have in mind.

I believe that all of us should give considerable thought to the high standards of quality that we are setting up in beef production. We should consider seriously whether some of these standards may not be too high for practical purposes. After all, medium quality beef as we produce it in this country is a better average quality than is produced in any other country in the world. To produce better than this average quality in any numbers means that we either have to find cheaper ways of doing it or we place that product beyond the buying capacity of a large proportion of our consuming public.

All Beef Is Good Beef

I wonder if a more businesslike approach to the entire problem would not be for each of us to stand on the principle that all beef produced that is killed under federal inspection is good beef for the purpose for which it should be used. Those grades that have a small amount of fat covering are good beef for sausage and prepared meats. In fact, you could not use so-called prime and choice meats for this purpose. Carcasses that have a little more covering are the perfect beef for pot roasts, boiling, etc., and at the top we produce a few extra fancy carcasses that fill an ideal place for those few people who desire roast beef rare and can afford broiled steaks.

I am a beef man, and for that reason you must pardon my enthusiasm for the subject. I believe, however, that we should do everything in our power at all times to sell the public on the fact that no beef is poor, that any beef that has been slaughtered under sanitary conditions is as fine a food as can be produced if it is properly prepared, and that if we can get the consuming public generally to accept this fact we can look forward to profitable prices, on an average, for live cattle.

Meat Board Activities

LAUNCHING COOKING SCHOOL PROgrams, setting up educational meat exhibits, and co-operating in the nationwide lamb-selling campaign are outstanding recent activities of the National Live Stock and Meat Board.

At the recent Chicago meeting of 9,000 dentists the board maintained exhibits telling a striking story of the food value of meat and its place in the diet. Many members of the profession reported that they are displaying the board's food-value charts in their reception rooms and making use of material furnished them by the board.

On the Pacific coast the board is carrying on a five-week campaign of meat education through cooking school programs and merchandising meetings. Principal population centers from the Mexican to the Canadian borders are being reached in this campaign.

The lamb-selling campaign just concluded—similar to the "Beef Month Campaign" of last August—has cheered spring lamb raisers and lamb growers generally. Reports point to price advances in face of heavy supplies and to increased sales in many parts of the country. The board co-operated in this campaign with retailer organizations and other associations.

Meeting a Crisis by Co-operation

JOHN A. LOGAN

Vice-President, National Association of Food Chains

WE BELIEVE AGRICULTURAL prosperity holds the key to national prosperity. The nation cannot be prosperous and healthy unless agriculture is prosperous.

Food chain store operators recognize that no one group in the cycle of production—processing, distribution, and consumption—can long prosper unless all are in sound condition. . . .

We must look to the consuming public for our ultimate success. Our products must be consumed at prices which yield each of us a fair profit for our labors and yet a price which is fair to the consumer.

If the spread between the fair producer price and the fair consumer price can be reduced by economical handling —by the elimination of waste and by the minimizing of agencies which must take their fair profits out—consumption can be increased; the producer can sell more units of his product because the consumer's dollar can buy more units.

Underconsumption Root of Trouble

Food chain stores have attempted to move goods to the consumer on the most efficient and economical bases and thereby enable the producer to get a larger net yield for his products. They have stood soundly on the premise that one of the major causes of the farmers' troubles is underconsumption and not overproduction. . . .

In spite of the progress which food chains had made in the distribution of agricultural products, certain practices had grown up over a period of years in food distribution which appeared not to be in the best interests of agriculture. In an attempt to eliminate such practices, the National Association of Food Chains turned to agricultural leaders for advice and counsel. . . . In none of the discussions has it been felt that the practices were confined to chain stores alone. Many of them existed before chain stores were a factor in the distribution of farm products.

The counsel of these agricultural leaders was very helpful. After the conference the National Association of Food Chains adopted a resolution calling for the elimination of certain long-standing practices and expressed the hope that all other branches of food distribution would follow the lead of food chains in eliminating unsound practices as a result of this conference.

Marketing Aid Pledged

The resolution also pledged the co-operation and aid of organized food chain distributors to producer co-operatives or other producer agencies in the "effective marketing of excess seasonal production and surpluses." This practice of removing seasonal surpluses by stimulating consumer demand had been a part of the program of individual food chain store companies for years. We now proposed to use the forces and facilities of organized distribution on a nation-wide scale in co-ordinated merchandising programs when requested by agricultural producers to do so and when factual information indicated a real need for such aid.

JOHN A. LOGAN

The first request for assistance came from the California peach growers. Last spring they were confronted with a carry-over of over 6,000,000 cases of canned peaches in the hands of packers. Their orchards were burgeoning with the next season's bumper crop. As a consequence, prices were depressed and the growers were offered $15 a ton for their crop. . . .

The National Peach Campaign, with 37,000 chain stores participating, was organized in March, 1936. In a three weeks sales campaign, the canned peach stocks in the hands of packers was reduced to 1,340,000 cases, or 700,000 less than the normal carry-over. The result was that peach growers and canners agreed upon a price of $30 a ton instead of the $15 offered originally. That meant millions of dollars in the pockets of the growers, instead of tremendous losses. And consumers bought the delicious fruit at reasonable prices.

Beef Campaign

Then came the Nation-Wide Domestic Beef Campaign. You all know the conditions of last summer: Drought, pastures dried up, watering places gone, feed prices soaring, live-stock shipments to market the largest in twenty years, and the market prices in a tailspin that spelled disaster for farmers and ranchers. Stock raisers stood to lose large amounts of money, possibly their farms and ranches, and an industry faced a demoralizing catastrophe.

Live-stock raisers appealed for help to the chain food stores. The call came on June 19, 1936. Your president, Albert K. Mitchell, was a member of the committee that asked for a national campaign to stimulate beef consumption and stabilize the live-stock market. In twenty-four hours, leading food chain companies had pledged co-operation. On August 1, just thirty-five business days after the first request was received, the Nation-Wide Domestic Beef Campaign was inaugurated by the chain food stores. Forty-four chain store companies with 33,892 chain stores in forty-eight states co-operated.

What happened? Sales of beef in chain stores in August were 34.7 per cent greater than sales in those same stores in August the year before. Slaughter in August was 16 per cent greater than August, 1935, but the chains increased their sales of beef by more than twice that figure.

Beef Consumption Raised

Per capita consumption of beef in August rose to 4.11 pounds compared with 3.7 pounds in August, 1935—an increase of 11.1 per cent. Now mark, chain beef sales increased 34.7 per cent, per capita consumption went up 11.1 per cent. The percentage of chain store sales increase in August far exceeded the average percentage of retail sales increase through all retail meat outlets. That accounted for the increase in beef sales.

Now, let's look at what happened to beef prices with a glutted market and a serious break in prices imminent. In June, 1936, the average prices for steers were: good, $7.82; choice, $8.58. After prices were stabilized, despite the record-breaking receipts of live stock, the price of steers rose on September 23, 1936, to: good, $8.70; choice, $10. The average price paid by packers for live cattle per hundred weight in August, 1936, was 6 per cent higher than for a five-year average. Hence, the dollar income on beef of live-stock raisers was up 37 per cent above the five-year average. In 1934 drought period the government bought 2,500,000 cattle to stabilize the market. In 1936 drought period the government bought less than 5,000 cattle. Government buyers were in the market every day ready to buy. The commercial demand absorbed the shipments at good prices.

Excerpts from address delivered at fortieth annual convention of American National Live Stock Association, held in El Paso, January 12-14, 1937.

Next came the Dried Fruits Sales Campaigns. Once more the food chains mobilized their forces in response to an appeal from the growers of dried fruits, one of California's largest industries. They found themselves facing a critical situation because the export market for their products had been cut to a dangerous point by disturbed economic conditions abroad—the wars and threats of war in Europe, Africa, and the Far East.

Reports showing the full success of that campaign are not yet complete, but preliminary figures show a huge sales increase.

Turkey Growers Assisted

Then came the National Holidays Turkey Sale. The general benefits to farmers of that campaign may be realized by the fact that nearly 6,000,000 farmers, or 86 per cent, raise turkeys and poultry for winter cash crops. Urgent requests for assistance were received by the food chains from over 200 turkey and poultry associations representing more than 3,000,000 farmers.

Ten days before Thanksgiving there were 20,000,000 turkeys "on the hoof"—a 30 per cent increase over last year and the largest crop in history. The sales drive is just over and we have not had time to check up on the number of birds remaining. We do know from preliminary reports of producers that the American people ate more turkey during the holidays than they ever consumed before. Many producer organizations reported all of their turkeys were sold at satisfactory prices, considering the number available. Some chain organizations reported double and even triple sales over last year. While it is doubtful whether the average for the 37,000 food stores participating will run anywhere near that high, we are assured of the success of the campaign. It certainly made a merrier Christmas and a more prosperous New Year for millions of farmers and their families. It gave millions of American families toothsome turkeys at reasonable prices during the holidays. . . .

Unless the bumper 1936-37 crop, estimated at 29,000,000 boxes of grapefruit, or 10,000,000 boxes in excess of normal production, can be marketed promptly and effectively, the National Grapefruit Committee, representing 80 per cent of the growers in the principal citrus producing areas, stated in its appeal for help, the farmers face heavy financial losses. However, the food chains are geared for action, and we are hopeful that chain stores can merchandise the huge crop so the growers will receive a fair return on their fruit. The chains are buying grapefruit by the trainload and pricing it to move fast. Consumers will benefit in more ways than one.

Lamb Campaign

Lamb producers and feeders, also, are suffering from an "embarrassment of riches." The National Lamb Producers' and Feeders' Committee advised our association, in asking for aid, that this season's lamb production is up 9 per cent, or about 2,700,000 more lambs than last year, while the live-stock market is off 18 per cent. Some preliminary appraisal of the value of the lamb campaign already is possible. According to Department of Agriculture live-stock market reports lamb prices have advanced $1.50 per cwt. since the announcement that food chain stores would sponsor a National Midwinter Lamb Sale. On the week of December 19 the Chicago market for choice lambs was $8.80 per cwt. On December 22 our bulletin went to all principal food chain store companies announcing the campaign to be scheduled in January and February. By December 26 the market had jumped to $9.08, on January 2, $9.66, and on January 9 it was quoted $10.33. So far retail prices have not changed, so consumers will continue to have the advantage of quality lamb at attractive prices, due to economical distribution.

Actions, indeed, speak louder than words. I think these special seasonal surplus crop sales, sponsored by the organized food chains, demonstrate our belief that agriculture is the keystone of the American prosperity arch. These campaigns are based on sound business in the larger sense. Their effect is more far reaching than mere practical farm relief. Since our economic life is so interdependent and interrelated that we all are silent partners in everybody else's business, it is not too much to say that every man, woman, and child in the country benefited, directly or indirectly, from these campaigns. The amount of that benefit, of course, must be measured by the intimacy of their association with the branches of agriculture the chains set out to help in the emergencies.

Everybody Shares in Benefits

Producers, processors, distributors, and consumers all shared the benefits passed along the line. Food chain stores represent but 40 per cent of the retail food trade. They do not and cannot sell all of the products of the farm and ranch. Therefore they do not pretend they alone can solve the seasonal surplus crop problem of agriculture through these special sales campaigns. But they not only will continue to do their part but they will continue to take the lead. . . .

It has become an established policy of our association to aid in the retail merchandising of seasonal surplus crops whenever it is demonstrated that an emergency exists, whenever the farmers in all producing areas ask for aid in marketing a particular product, and whenever it is possible and practicable for the food chains to assist in the situation. All of these campaigns must be good business, soundly conceived and conducted. They must prove of lasting benefit to the producers, the processors, the distributors, and the consumers. They must be profitable. Naturally, we want the campaigns to aid producers by returning them a satisfactory price on their products, to aid the distributors by yielding a satisfactory margin of profit on the merchandising, and furthermore, we want them to aid the consumers by passing on to them quality products at prices that represent good values. That is good business for everybody. It is pracical farm relief.

Fight Waged on Rustlers

PRELIMINARY STEPS TO ASK BOTH state and nation to help curb the motorized rustler were taken at the sixty-seventh annual meeting of the Bent-Prowers Cattle and Horse Growers' Association, held at Las Animas, Colorado, on February 22.

Help from the state, the delegates felt, could come through power given the highway courtesy patrol to inspect cattle shipments by trucks, and from the federal government by a law covering interstate transportation of stock similar to the present Dyer Act—automobile transportation law.

In line with current live-stock association drives to curtail activities of the rustlers, measures aimed at the problem have been introduced in the Colorado legislature providing that bills of sale must bear seals of the state or notaries public for animals being transported. Branding and marking of sheep is also provided for.

Newly elected officers of the Bent-Prowers organization are: R. M. McMillin of Carlton, president; Matt Jones, of Lamar, vice-president; Arthur Dean, of Las Animas, secretary; C. W. Sweitzer, of Eads, assistant secretary; William J. A. Scott, of Las Animas, treasurer; and Bill Walker, of Lamar, assistant treasurer.

WOOL PRODUCTION IN 1936

Total production of wool in the United States in 1936 is estimated by the Bureau of Agricultural Economics at 426,527,000 pounds, of which 360,327,000 pounds were shorn wool and 66,200,000 pounds pulled wool. This compares with 430,663,000 pounds in 1935 and 428,741,000 pounds for the 1930-34 average.

Estimated number of sheep shorn in 1936 was 45,663,000 head (45,497,000 shorn in 1935). Estimated quantity of wool shorn per sheep during 1936 was 7.89 pounds, (8.02 pounds in 1935). Average weight of wool pulled per skin in 1936 was 3.11 pounds (3.21 in 1935).

Imports under a Monthly Quota

THE FIXING OF A MONTHLY quota for cattle importations under the Canadian Reciprocal Trade Agreement was requested on February 8 in petition filed before the Tariff Commission by F. E. Mollin, secretary of the American National Live Stock Association.

The petition shows the course of our markets during the period of heavy importations under the treaty last year. This year again, if we may judge by what took place in 1936, we shall see the quota practically filled by the middle of the year and witness breaks occasioned by the rush to take advantage of the import allowances. In fact, one of the breaks has already occurred, according to Jack Byers, manager of the Western Stock Growers' Association (Calgary), who recently stated that a sudden dumping of 220 carloads on the United States market in one week early this year had broken the market one cent a pound.

Reproduced below are the petition and letter of transmittal:

DENVER, COLO., February 8, 1937.

E. Dana Durand, Acting Chairman,
Committee for Reciprocal Information,
Washington, D. C.

DEAR MR. DURAND: . . .I enclose herewith a formal statement . . . supporting our suggestion that monthly quotas should be worked out for the importations of cattle under the Canadian Reciprocal Trade Agreement. I note your statement that this could not be done without the agreement of Canada, but inasmuch as it would be for the protection of cattle producers of that country, as well as for the protection of our own producers, this should not be difficult to obtain. In fact, a release made by the Department of Agriculture some months ago mentioned the fact that Canadian producers had themselves suggested that a quota system might be put into effect advantageously....

Very truly yours,
F. E. MOLLIN

* * *

THE FORMAL STATEMENT

Memorandum from American National Live Stock Association supporting request that monthly quota should be established to govern the importations of cattle under the Canadian Reciprocal Trade Agreement:

IMPORTS OF CATTLE BY WEIGHT CLASSES FROM CANADA TO THE UNITED STATES FOR EACH MONTH OF THE YEAR 1936.
(Number of Head)

Month	Under 175 lb.	175-700 lb.	Over 700 lb.
January	896	832	8,864
February	1,230	509	8,864
March	2,135	905	14,804
April	6,499	3,250	34,696
May	9,087	2,297	24,667
June	14,337	2,548	21,502
July	14,198	2,406	9,207
August	2,631	4,034	5,870
September	1,354	6,248	8,717
October	849	6,129	3,143
November	1,386	4,495	1,857
December	1,093	1,496	1,028
Year	55,695	35,149	143,219

Livestock, Meats and Wool Division, B.A.E., U.S.D.A.

IMPORTS OF CATTLE INTO THE UNITED STATES FROM MEXICO, 1936.
(Number of Head)

Month	Under 175 lb.	175-700 lb.	Over 700 lb
January	161	8,338	2,319
February	32	13,819	3,291
March	33	27,195	5,855
April	266	30,372	3,191
May	128	14,727	4,027
June	12	7,096	666
July	881	5,346	1,306
August	93	5,347	557
September	9	5,773	45
October	......	9,630	178
November	......	4,298	527
December	......	8,498	30
Year	1,615	140,439	21,992

Livestock, Meats and Wool Division, B.A.E., U.S.D.A.

I call your attention to the fact that in the four months, March to June, inclusive, 95,669 cattle weighing more than 700 pounds came from Canada alone. During the same period 13,739 cattle of this class came from Mexico. The combined total for this period was 109,408 head, or 70.2 per cent of the entire yearly quota for this class of 155,799 head.

CATTLE AND CALVES: MONTHLY AVERAGE PRICE PER 100 POUNDS, CHICAGO, 1936, BASED ON THE MEAN OF DAILY RANGE OF QUOTATIONS.

Slaughter Beef Steers, 900-1,100 lbs.

Month	Choice	Good	Medium
January	$12.50	$10.65	$8.23
February	11.03	9.69	7.88
March	10.62	9.47	8.10
April	10.16	9.04	7.82
May	8.91	8.17	7.39
June	8.62	7.84	7.24
July	8.84	8.17	7.39

Bureau of Agricultural Economics, U.S.D.A.

I set forth below the average prices received by farmers at local markets, as reported by the Crop Reporting Board of the U. S. Department of Agriculture, for the 15th day of each month:

(Per 100 Pounds))

January, 1936	$6.22
February	6.19
March	6.12
April	6.27
May	6.00
June	5.99
July	5.71

Month	Prices paid by farmers for commodities 1910-14 =100	Parity price — Ratio 1936 prices to prices paid by farmers
January	122	6.15
February	122	6.23
March	121	6.40
April	121	6.66
May	121	6.66
June	120	6.53
July	123	6.56

I call your attention to the fact that the only month in the seven-month period which I have included when farmers received parity prices for their cattle was the month of January just when the Reciprocal Trade Agreement went into effect, and that the subsequent decline in price with practically no change in prices paid by farmers soon put prices again out of line.*

Condition on St. Paul Market

The following excerpts are taken from official government reports of the St. Paul market, which, I believe, received more Canadian cattle than any other market:

"Monday, April 6, 1936.—Receipts Canadian cattle, about 80 cars, some of these being hold-overs from late last week. Trade at a standstill during much

*Since the above statement was filed, revised figures received from the Department of Agriculture put the parity price even in the month of January above the actual farm price.—ED.

Sheep Breeds Classified

In a pamphlet, "Advice to the Beginner in the Selection of Sheep for Breeding," published by the Department of Agriculture of the Dominion of Canada is set forth a table showing the classification of the most important sheep breeds, as below:

- Wool Breeds
  - Fine-Woolled or Merino
    - White-faced
      - (a) Spanish or American Merino
      - (b) American Merino
      - (c) Rambouillet and Delaine
  - Medium-Woolled
    - Dark-faced or "Downs"
      - Oxford
      - Hampshire
      - Suffolk
      - Shropshire
      - Southdown
    - White-faced
      - Dorset Horn
      - Cheviot
- Mutton Breeds
  - Coarse-Woolled
    - Reddish-brown faced — Tunis
    - Dark-faced — Highland
    - White-faced
      - Lincoln
      - Cotswold
        - White-faced
        - Grey-faced
      - Leicester
        - English
        - Border
      - Romney Marsh

of the forenoon, despite decrease in supplies around the midwestern market circle.

"Monday, April 13, 1936.—Canadian receipts some 55 cars, part of these hold-overs from Saturday. Market mostly steady on medium-grade fed steers; 10 to 15 cents lower on better grades. Many loads still in first hands as afternoon opened.

"Monday, April 20, 1936.—Canadians, about 125 cars on hand, part of these being hold-overs. The only question about lower prices was apparently a matter of degree or extent, . . . the greater share of steers and yearlings still unsold about noon. Limited selling was at 25 to 50 cents lower levels.

"Monday, April 27, 1936.—Canadians, about 110 loads, mostly steers, with some she-stock. Slaughter steer and yearling trade was slow, but most sales worked out about steady. Undertone weak on the part of big killers, *especially for the bulk of medium grade Canadian steers.*

"Monday, May 4, 1936.—Canadians, about 90 cars. Most native cattle opened fully steady. Several loads of Canadian steers and a few heifers from the north also moved before noon on a mostly steady basis, but trading was inclined to be slow, with occasional transactions and frequent bids weak to 15 cents or more lower. . . .

"Monday, May 11, 1936.—Canadians, about 60 cars, some of these being hold-overs. Buyers were practically without interest in fresh purchases except at material . . . reductions. . . . Bids were frequently as much as 50 cents off on the rank and file of steers and yearlings, and the majority still in first hands when the afternoon began.

"Monday, May 25, 1936.—Canadians, about 60 loads, mostly steers of medium quality and finish. Weightier steers, particularly lower quality offerings, were harder to move and many were still unsold around the noon hour, Canadians included, resisting weak to lower bids.

"Monday, June 1, 1936.—Canadians, 78 loads. With supplies running largely to slaughter steers, that part of the *trade was very draggy. Limited sales* occurred around 25 cents lower . . . and weightier beeves received bids up to about 40 cents off, and the majority of offerings still unsold around 1 p. m.

"Monday, June 15, 1936.—Canadians, 75 cars, largely weightier steers. Weights around 1,000 pounds down developed about steady prices, while heavier kinds remained draggy and weak, with bids frequently lower and many still in first hands when the afternoon began."

Anyone familiar with central market practice knows that a slow, draggy market at any one point exercises a similar effect, although perhaps to a less marked degree, at all other points. It is clearly evident that the large receipts of Canadians at St. Paul kept that market in a draggy condition throughout the period of heavy shipment, and this condition was reported several times each day to all the other central markets.

While a great many of the Canadian cattle entered this country billed as "feeder cattle," this was simply for the purpose of receiving inspection from our Bureau of Animal Industry officials, which would make it possible for them to be reshipped to the country if opportunity offered. As a matter of fact, a large percentage of the cattle received at St. Paul actually went direct to the killers and relatively few went back to the country.

With a concentration of these receipts in one market over a comparatively short period of time, there can be no doubt that the imports of Canadian cattle exercised an influence on market prices throughout the entire country during that period of time out of all proportion to the actual numbers involved.

Situation in Northwestern Markets

The influence of the Canadian cattle on the northwestern market situation was even more marked than in central market territory. In that country it is the common practice to ship the bulk of slaughter live stock direct to packing houses. A relatively small percentage is sold on the open markets at Spokane and Portland, which are the two major markets in that section, but the prices paid on these markets are advertised for the purpose of influencing, so far as possible, the price paid on direct shipments. It was therefore a comparatively easy matter for the packers themselves to buy cattle in Canada, ship them on to these small markets, and dominate the price situation thereon. More bitter complaint has come from this territory as to the effect Canadian imports have had on local prices than from any other section of the United States. Whatever practical difficulties may stand in the way of working out monthly quotas, a sincere effort should be made to overcome them in the interest of fair play and stable markets, for the protection of both American and Canadian cattle producers.

Respectfully submitted,

F. E. MOLLIN,

Secretary, American National Live Stock Association.

PER CAPITA MEAT CONSUMPTION

Per capita consumption of federally inspected meat in 1936 compared with 1935 and the five-year average are reported as follows (in pounds):

	1936	1935	5-yr. Av.
Beef and veal	46.41	41.37	39.87
Pork and lard	43.08	36.52	52.31
Lamb and mutton	5.25	5.49	5.36
Total	94.74	83.38	97.54
Lard only	6.13	4.92	7.26

Annual Live Stock Inventory

SMALLER NUMBERS OF CATTLE, HOGS, horses, and mules, and a larger number of sheep on farms and ranches January 1, 1937, compared with numbers on January 1, 1936, are shown by the annual live-stock inventory estimates by the Crop Reporting Board. The change, however, was relatively small for all species. The number of animal units on January 1 was the smallest since 1929.

Total value was slightly smaller than a year earlier and per-head value lower except on horses and mules. Total value, however, was about $2,000,000,000 higher than at the low point on January 1, 1933. Inventory values shown below should not be confused with value of live-stock production or with income from stock, which will be estimated later.

Year	Number (Thous.)	Value Per Head	Total Value (Thous.)
All Cattle and Calves—			
1937	66,676	$34.07	$2,271,694
1936	67,968	34.10	2,317,370
1935	68,529	20.22	1,385,948
1934	74,262	17.78	1,320,340
1930	61,003	56.36	3,438,056
1920	70,435	52.64	3,707,911
*Milk Cows and Heifers—			
1937	25,041	50.38	1,261,608
1936	25,439	49.27	1,253,427
1935	26,069	30.17	786,612
1934	26,931	27.00	727,039
1930	23,032	82.70	1,904,794
1920	21,455	81.51	1,748,820
Sheep and Lambs—			
1937	52,576	6.01	315,965
1936	52,022	6.38	331,922
1935	52,251	4.31	225,258
1934	53,713	3.79	203,321
1930	51,565	8.93	460,404
1920	40,643	10.45	425,186
Swine and Pigs—			
1937	42,774	11.89	508,423
1936	42,837	12.72	544,911
1935	39,004	6.31	246.196
1934	58,621	4.09	239,541
1930	55,705	13.45	749,481
1920	60,159	20.00	1,203,052
Horses and Colts—			
1937	11,527	99.06	1,141,911
1936	11,635	96.82	1,126,457
1935	11,861	77.05	913,870
1934	12,052	66.88	805,994
1930	13,742	69.98	961,664
1920	20,161	96.48	1,942,809
Mules and Mule Colts—			
1937	4,603	129.73	597,156
1936	4,684	120.36	563,781
1930	5,382	83.93	451,725
1920	5,656	148.25	838,530

*Cows and heifers, two years old and over, kept for milk. Included in "All Cattle and Calves."

OREGON LOCAL ELECTS OFFICERS

The Wheeler-Gilliam County (Oregon) Stockmen's Association, meeting recently in Fossil, elected Carrol Barker, of Condon, president, and J. M. Stein, of Fossil, vice-president. R. M. McKennon, of Condon, was re-elected secretary-treasurer.

President's Treaty-Making Power

AT THE HEARINGS BEFORE THE Senate Finance Committee on the question of extending the powers granted the President under the Reciprocal Trade Agreements Act for three years from June 12, 1937, the following statement was made on February 11 by F. E. Mollin, secretary of the American National Live Stock Association:

"I represent the American National Live Stock Association, with headquarters at Denver, Colorado. It is a voluntary association composed largely of cattle growers in the seventeen range cattle producing states west of the Missouri River, and with membership also in the State of Louisiana and a few scattered members in other states immediately east of the Missouri River.

"Before starting with my testimony, I should like to put into the record a letter from Mr. F. R. Marshall, secretary of the National Wool Growers' Association, with headquarters at Salt Lake City, Utah. This association serves the sheep growers in the same capacity that we serve the cattle growers, and the letter quotes a resolution adopted by that organization at its recent annual convention at Albuquerque, New Mexico, on January 26, 1937. [The resolution opposes continuation of the law in question.—ED.]

"I appeared before your committee in 1934, when the original act was under consideration, and expressed the fear that the exports of industrial products under the trade agreement plan might be expanded and paid for in part, at least, by the imports of agricultural commodities which we produce here at home. The lowering of the tariff on cattle and other agricultural duties in the agreements executed up to date, and especially the Canadian agreement, shows that it has been found necessary to make concessions on such agricultural products as cattle in order to work out agreements with countries whose major export consists of agricultural products. Our association has expressed itself by formal resolution as being opposed to this policy and urging either the repeal of the act or confirmation of any agreements entered into by the United States Senate.

"We do not claim that the Canadian agreement by itself will ruin the American cattle industry. Of course, we have had some imports of cattle from that country and from Mexico for many years, but these imports have been regulated, partly by the supply and demand situation and partly by the tariff in effect.

"We do claim that the imports from Canada during the past year have adversely affected market prices in this country and that the concentration of the greater portion of the quota in a short space of time, together with manipulation unduly to stress the Canadian importations, has caused prices to be affected out of all proportion to the actual numbers involved, and I think the record clearly shows this to be a fact.

Tariff Cut in Big Slaughter Year

"The total importations of cattle into this country for the year 1934 were 66,138 head; 1935, 378,124 head; 1936, 410,299 head. The Canadian agreement, effective January 1, 1936, was entered into with full knowledge that the Bureau of Agricultural Economics had forecast late in 1935 increased receipts of fat cattle during the first half of the year 1936 and lower markets to correspond. While the bureau had the right slant, it underestimated the increase in slaughter, because, as a matter of fact, the cattle slaughter under federal inspection in the year 1936 was the largest ever recorded in this country, with the single exception of the year 1918, while the calf slaughter was the largest ever recorded.

"Seventy and two-tenths (70.2) per cent of the quota of 155,799 head of cattle weighing more than 700 pounds as established in the Canadian agreement, or 109,408 head, entered this country in the four months March to June, inclusive. Twenty-four and three-tenths 24.3) per cent, or 37,887 head, entered in the month of April alone. Large numbers of these cattle were received at the St. Paul and Buffalo markets. I have carefully examined the official government reports as to market conditions at St. Paul during the months in question and find repeated instances where from 50 to 125 loads of Canadian cattle were received at that market on Monday, and in almost every instance the market slumped sharply with trading very slow and considerable numbers held over. Our central market system is such that a condition of this kind on any one market is immediately reflected by wire to all the other markets, and hence my statement that the Canadian importations had an influence on price out of all proportion to the actual numbers involved.

"It has been commonly supposed that a great many of these Canadian importations were stocker or feeder cattle, because most of them enter the country billed as such. This is done, however, to secure inspection which will permit their being sold on the market either as stockers or feeders or as slaughter cattle. As a matter of fact, I am advised that the great majority of them actually sold as slaughter cattle. Had they come in billed as such, they would not have been permitted the chance of a two-way market.

"In the Pacific Northwest a similar situation prevailed during the spring months. The markets up there are much smaller relatively than the central markets and much stock is sold direct. The packers made it a practice last spring to send buyers into Canada to buy cattle. Their arrival on the markets was given wide publicity and exerted a severe price demoralizing influence, although eventually many of them would go right on through the original market to other points for slaughter, having merely helped to break the prices as they passed through.

"We have pending with the Committee for Reciprocity Information a petition filed this week for the establishment of a monthly quota to prevent the repetition of a similar effect on our markets this spring. This would be for the benefit of Canadian producers as well as of American producers, so long as the agreement remains in force.

"The bulk of these Canadian cattle are of a class that would compete with what we call medium cattle in this country. The normal trend of the market for good cattle during the fore part of the year is downward, because of the heavy supply coming from the feed-lots at that time. On the contrary, the normal trend of the lower grades up to medium is strong to higher during that same period, because they are normally in lighter supply. The situation was abnormal last spring, due to the heavy receipts and slaughter and all price curves downward. The records of the Department of Agriculture show that the average price of beef cattle received by farmers at local home markets during the entire year 1936 was $6.01, while the average parity price for the year was $6.64. In no month did the actual price equal the parity price.

"Announcement has been made of the intention to negotiate trade agreements with various South American countries whose principal exports are also agricultural products, one of which is canned beef. Imports of canned meats (practically all beef) during the year 1939, the last full year prior to the enactment of the Smooth-Hawley Act, were 89,931,947 pounds. In the year 1934 these imports, after slumping to much lower levels in the interim, were 46,779,053 pounds. In 1935, with the basis changed to straight canned beef, no other meats included, they were 76,262,525 pounds; and in 1936, on the same basis, 87,764,354 pounds. I call your attention to the fact that last year's imports of this commodity were practically on the same basis as the last full year pre-Smooth-Hawley Act. If reduced to a basis of 900-pound cattle, the 1936 imports would be equivalent to approximately a half million such cattle, while reduced to a basis of canner and cutter cows they would considerably exceed that number.

"Our attention is often called to the fact that a few top cattle sell at ex-

travagantly high prices in Chicago. That is the situation which exists today and is due largely to the effect of the drought last year, with the result that on January 1, 1937, the feed-lots of the Corn Belt contained only 77.2 per cent as many cattle as they contained a year earlier. Our industry has not fully recovered from the low prices of the depression years. We had many years of such low prices and only one or two good years recently, hampered at the same time greatly by drought conditions in many sections.

Industry Not Entirely Out of the Woods

"The regional agricultural credit corporations, which were formed under the Hoover administration and which have been in process of liquidation ever since this administration came into power, are still carrying nearly $25,000,000 worth of live-stock loans, ineligible to rediscount in the new production credit associations and which no private agency is willing to take over. That shows that we are still not entirely out of the woods.

"We commend the changes which have been made in administration of the act, as outlined by Assistant Secretary Sayre yesterday. If the act is to be continued in force, there are two major changes which should be made in order adequately to protect American agricultural producers:

"*First.* The public hearings which have been referred to should be held before the committee which actually writes the agreements, instead of before a committee which has nothing to do with the writing thereof. Under the present system it seems almost futile for an organization located many miles away from Washington to go to the expense of making personal appearance at such hearings, as there has been little evidence that any attention is paid to them.

"*Second.* Agreements entered into should be subject to confirmation by the United States Senate. I do not understand that such a change would entail any detailed action by the Senate as to what individual rate reductions should be, but it would seem to be a desirable check entirely in keeping with the American system that the committee which writes the agreements should be conscious of the fact that before going into force they must be accepted by the United States Senate. So long as a majority of the Senate is in sympathy with the policy of the administration in this respect, it would not seem that such a change in the act would stalemate the operation of the law, but would merely, as suggested above, constitute a healthy check upon the activities of this committee, which is not in close enough touch with the people and industries whose fate they hold in their hands."

New "Prior Use" Definition

NEW REGULATIONS DEFINING "PRIOR use" of the public range in the granting of permits under the Taylor Grazing Act were announced last month by Grazing Director F. R. Carpenter.

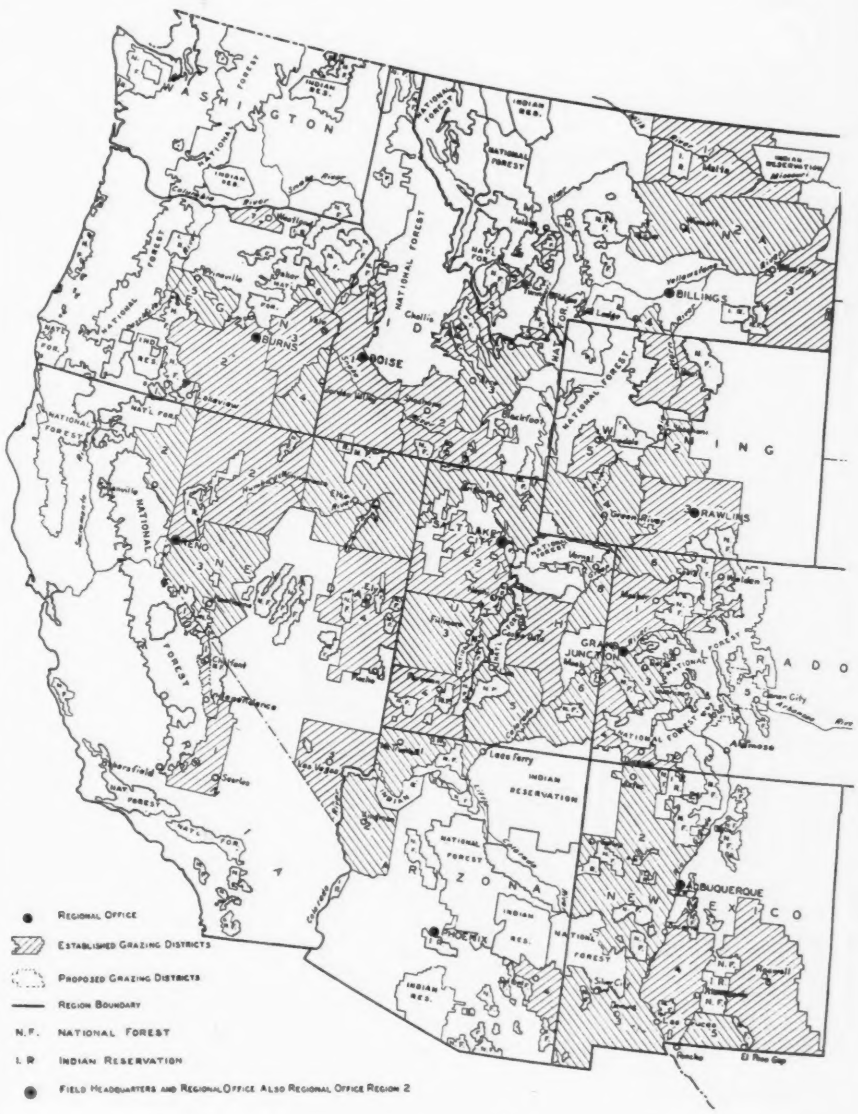
Standardizing "prior use" by eliminating the authority of local advisers to determine the date when prior use was established, the new rule provides that prior use may be established through the use of the public domain during a full grazing season any time within the five-year period preceding the passage of the act under which the district was created.

The new regulations further define qualifications of stockmen: Qualified applicants are citizens of the United States or those who have declared intention, and groups, associations, or corporations authorized to conduct business in the particular state in which the district is located.

Concerning the order, the question has been raised, says the *Idaho Wool Growers' Bulletin*: "What functions are the boards to have if one of the most important problems needing local knowledge and workable with local conditions is to be taken away from them?" In Colorado, reports the *Denver Record Stockman*, advisory board members in

Map of Grazing Districts Under Taylor Grazing Act

The Division of Grazing of the Department of the Interior, in its *Grazing Bulletin* for January, 1937, published the below map of grazing districts under the Taylor Grazing Act. The bulletin summarizes grazing licenses issued for the year 1936 as follows: Number of districts, 37; number of licenses, 15,067; number of cattle, 1,333,985; horses, 100,780; sheep, 5,840,704; goats, 158,947;total live stock, 7,434,416.



district No. 6 decided to grant permits under rules in operation in previous years, basing their action on a concession in the amended rules that "in a district in which the regional grazier is convinced that establishment of groups according to the specified rule is unsuited to local conditions he may recommend a different period of use, provided . . . approved by the Secretary of the Interior."

Wool Growers' Platform

THE 1937 PLATFORM AND PROGRAM OF the National Wool Growers' Association, adopted at the seventy-second annual convention at Albuquerque, New Mexico, January 26-28, include the following summarized voicings:

Economic and Government Relations.—Opposing excise tax on live stock or its products; opposing ratification of Argentine sanitary convention; asking that unloading and reloading charges imposed in 1936 be eliminated or basic rate reduced; opposing increase in freight rates; requesting extension of "trailer" privileges permitting accompaniment of L. C. L. 10,000-pound shipment at full car hundredweight rate; favoring elimination of provision "that joint rates need not be established when such would require that originating carrier short-haul itself;" believing government can render greatest service by providing rate of not over 3 per cent on money for operating; joining other organizations in opposing Trade Agreement Act; insisting American producer is entitled to American markets.

Lamb Marketing.—Opposing Capper anti-direct marketing bill; requesting members to report unfair market practices of wholesale butchers and packers; opposing packer practice of lamb contracting based on price at some central market on day of delivery; opposing production control.

Wool Marketing.—Urging legislation requiring labeling of wool and mohair goods to show other than wool or mohair content; questioning advisability of contracting wool on sheep's back; recommending separation of speculative from consignment houses; opposing tag discount purchases.

Public Domain Grazing.—Contending permit preference be given to "users of land, of water or water rights, owned or leased," actually in business when districts established, provided rights were not acquired between January 1 and December 31, 1934; recommending granting of permits first to prior users with sufficient land holdings, owned or leased, able properly to care for stock permitted "for that portion of year when it would be improper to permit grazing," second to prior users but not holding by ownership or lease adequate dependent and commensurate property, and third to applicants with dependent commensurate property but without prior use; recommending sale of isolated tracts within exterior boundaries of districts in accordance with section 14, and "in cases in which two or more owners of contiguous lands apply for purchase of same tract preference be given to those having prior use;" recommending permission to lease where found more practical than having land included in district, with preference to prior user; opposing elimination or serious curtailment of present numbers of stock grazed by operators qualifying under above recommendations.

Forest Grazing.—Holding ten-year permits the principal stabilizing factor the past year, and that there should be no reductions in preference permits except for range protection; recommending no combining of Division of Grazing and Forest Service until rights of graziers are protected and perpetuated; opposing issuance of many of statements made in Senate Document 199 because they are "highly theoretical, impractical, and controversial;" feeling that Forest Service has hindered co-operation to reduce fire hazards and has "hampered investigations suggested by universities;" recommending inauguration of previously authorized ten-year predatory-animal control program, and calling attention to inadequacy of funds for the Biological Survey.

Arizonans Meet at Douglas

WHEN SECRETARY KEITH CLOSED HER registration book the night of February 17 she had 368 cowmen's names neatly and otherwise set down as the record of attendance of the two-day thirty-third annual meeting of the Arizona Cattle Growers' Association at Douglas. "One of the finest conventions we ever held," was President Frank S. Boice's comment.

Subjects in a wide range were presented, with the keynote sounded in the president's address: "The Argentine sanitary convention is the biggest thing before us." Albert K. Mitchell, president of the American National Live Stock Association, and F. E. Mollin secretary of that body, sounded similar warnings: "Keep out foot-and-mouth disease." The Argentine pact stands out boldly at all live-stock meetings—and condemned at all.

"Copper" might seem an odd topic at a cowman's convention, but President P. G. Beckett, of the Phelps-Dodge Corporation, explained the singularity: "The two industries need to co-operate, because a great many interlocking interests exist." "The Coyote," title of a talk by Everett Mercer, of the Biological Survey, of course, is a cowman's problem, but here again the delegates were taken up a new path, as the speech dwelt, not on coyote depredations, but on coyote habits and characteristics.

Stockmen, like the rest of us, want stability in their business, and one way of getting it, they believe, is through long-time forest permits. When D. A. Shoemaker, of the Forest Service, offered a little more of such stability in his "New Forest Service Policy" talk he warmed the cockles of the heart of every permittee present. Another government voice was that of J. C. Jamison, of the Soil Conservation Service. The subject: "1937 Range Program."

E. J. Eager, president of Arizona's game protective association, spoke to the stockmen—who may be counted among the real lovers of wild life and also its protectors—about "Stockman-Sportsman Relationship."

Final speaker was Richard W. Young, chief counsel of the Farm Credit Administration at Berkeley, California, who gave an interesting talk on livestock credit."

Resolutions of the meeting are not in our hands, but we can confidently quote one of them, to wit: "Opposed—Argentine sanitary pact." Prescott gets the convention.

Fats Importations Opposed

THE STOCKMAN HAS AN ALLY IN THE new Association of American Producers of Domestic Inedible Fats, which held its first annual convention recently in Chicago. "Protecting our own market against very large imports of competing oils and fats," was the principal reason for the formation of the organization, said President A. L. Buxton, of Covington, Kentucky.

Its stand on the fats importation question is right in line with the stockman's idea. A resolution adopted reads:

Resolved, That after witnessing the effects of the tax on imported fats and oils during the past two years we are convinced of the value and sound economic wisdom of this tax and hereby record our support of the continuance of this policy. We oppose any change in this tax which will not be in the interest of the domestic producers.

The Calendar

Mar. 12-13—Convention of North Dakota Live Stock Ass'n, Devils Lake, N. D.
Mar. 12-21—Southwestern Exposition and Fat Stock Show, Ft. Worth, Tex.
Mar. 16-18—Convention of Texas and Southweest Cattle Raisers' Ass'n, Ft. Worth, Tex.
Mar. 26-27—Convention of New Mexico Cattle Growers' Ass'n, Raton, N. M.
May 19-21—Convention of Montana Stock Growers' Ass'n, Bozeman, Mont.
June 4-5—Convention of Cattle and Horse Raisers' Ass'n of Oregon, Prineville, Ore.
June 10-12—Convention of Nebraska Stock Growers' Ass'n, Broken Bow, Neb.

AMERICAN

CATTLE PRODUCER

Published monthly in the interest of the live stock industry by the American National Live Stock Association Publishing Company.

Subscription: One Year, $1; Three Years, $2.75; Six Years, $5. Advertising Rates on Request.

515 COOPER BUILDING, DENVER, COLORADO

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EDITORIALS

Live-Stock Credits

DURING THE FOUR YEARS JUST passed, in which many new governmental agencies have come and gone, one department of vital concern to the live-stock industry — the Farm Credit Administration—has functioned quietly and efficiently, has constantly increased its scope of usefulness, and has rightfully earned the goodwill of the rank and file of stockmen.

The production credit associations have to a large degree supplanted the regional agricultural credit associations set up under the former administration, but with the idea of furnishing a source of permanent credit rather than of meeting an emergency. In passing, attention should be called to the fact that the liquidation of the regionals has been conducted in an orderly fashion, and now, after four years, there is still almost $25,000,000 in loans on the books, which so far cannot be refinanced through the production credit associations or private agencies.

It would seem that today sufficient credit is available to meet the legitimate needs of live-stock producers at reasonable rates. Some complaint is made that the Federal Land Bank's policy on ranch loans is too severe and private sources of credit for such loans are not available in many areas. Many ranchmen prefer to borrow the bulk of their needs on long-time, low-rate land loans, leaving their live stock free for short-time credits. There has been much talk of joint loans covering both land and live stock, and if a practical plan can be worked out it should be in the interest of both borrower and lender.

It is freely admitted that too much credit has been the means of breaking many stock growers. Therefore the important thing is adequate credit conservatively handled and available when needed. Stockmen have had costly experience with some commercial banks, anxious for loans when the sailing is good but just as anxious to run to cover when clouds appear on the horizon. Such a banker has been described as a man who loans you an umbrella when the sun is shining and takes it away when it begins to rain.

As a matter of fact, such banks, operating under present restrictions, should not represent themselves as equipped to provide the kind of credit that stockmen need and must have under varying conditions. Rather, they should fill a necessary need in supplying supplemental short-time credits.

The ultimate result of saner and sounder credit policies can only be estimated. Beyond question they exert a tremendous stabilizing influence, preventing ruinous liquidation in times of stress and likewise pressing for reasonable marketings when prices are advancing and the cattle-king instinct runs rampant. In addition, many stockmen have found that the budgeting of their expenses required by these loaning agencies is a distinct advantage, and the practice once formed will not soon be abandoned.

All in all a very estimable job has been done, reflecting credit alike on the executives in Washington, the managers in the field, and last but not least the stockmen who serve as directors, in many cases at considerable personal sacrifice.

Federal Theft Law

DURING RECENT YEARS, ONE OF the pitfalls into which criminals have frequently stumbled is the Dyer Act, which makes a federal offense of moving a stolen automobile across a state line.

Recognizing the value of this law in apprehending the criminal, the American National Live Stock Association at its recent El Paso convention urged a similar act for prevention of live-stock theft, and now Senator McCarran has responded with a bill to that effect, S. 1375, which already has strong backing in many quarters.

Many live-stock thieves have made it a practice to operate near state borders, slipping across a state line to avoid inspection and quick pursuit, and have got away with their booty. But if the McCarran bill is passed, even though there be no special officers charged with the enforcement thereof, the very knowledge that an interstate movement of stolen live stock makes such rustlers the target of a federal law will act as a deterrent. It will be a great aid to local peace officers in preventing live-stock thefts.

Every reader of this editorial should write Senator McCarran commending him for his leadership in this important matter and urging quick passage of the act. If you have any constructive suggestions to make, he will welcome them, because his only purpose—and a very timely one—is to aid the live-stock industry, for which he has often previously done battle.

Canadian Quota

ELSEWHERE IN THIS ISSUE will be found a petition addressed to the Committee for Reciprocity Information urging that the importations of cattle weighing more than 700 pounds (on which the tariff was reduced in the Canadian agreement) should be placed upon a monthly quota basis. Attention is called to the fact that more than 70 per cent of the quota of 155,799 head was received in the four months March to June, last year. These heavy receipts came at a time when our own feed-lots in the Corn Belt were being emptied as farmers got ready for spring work in earnest. The establishment of such a quota would not be for the sole benefit of the domestic producer; but for the mutual benefit of the American producer and the Canadian and Mexican producers who have been given a mortgage on part of the American market by our kindhearted Secretary of State. Suggestions for the establishment of such a quota have frequently come from Canadians, who are fully aware that the dumping of from 100 to 125 loads of cattle on a single market is disastrous to everyone concerned.

It is quite likely that the fixing of monthly quotas would increase the annoyance to federal officials in administering the agreement. Attention might be called to the fact, however, that it is more than a mere annoyance to the live-stock industry. No matter how many of the propagandists for the Department of State chant the refrain that the total quota is only about 1½ per cent of our annual federally inspected slaughter and consequently can have not the least effect on the market, the cold fact remains that dumping from 100 to 125 loads of cattle on the St. Paul market, for instance, on any one day does depress the market—sometimes 25 to 50 cents a hundred, sometimes more—and that condition is immediately wired to every other market in the country. Theorists who never saw a cattle market can content themselves with percentages, but the price that goes up on the bulletin board is not governed by annual percentages. It is governed by the immediate supply and demand.

It is not thought essential that the monthly quota should be only one-twelfth of the yearly quota. It might be expedient to increase it somewhat, to

perhaps 10 per cent of the entire yearly quota. On that basis, for instance, the entire quota could be received in a ten-month period. In the month of April, however, 24.3 per cent of the quota arrived at various American markets.

Congressman Thomason, of Texas, in a speech about the bill to extend the reciprocity act for another three-year period, said:

"The imports ought to be staggered. The cowman in my country who ships a trainload of cattle to market has a right to expect that he will receive the fair price shown by market quotations at the time he ships. He cannot meet the competition and will be forced to accept a sacrifice price if on the day his cattle arrive at market there are several trains of foreign cattle. There is naturally a big break in the market. That is not fair to our American cattlemen and ought to be stopped."

The way to stop it is to have some of the experts who spend their time figuring out theories to prove that importation of 155,000 cattle does not hurt the American cattleman devote themselves to a more useful task and work out a practical method of establishing a monthly quota. If part of our market is to be traded away from us for the benefit of eastern industrialists, certainly the authorities who have the power to do that ought to be willing to do it in such a way as to damage our industry as little as possible. The request for the establishment of a monthly quota is a most reasonable one and ought promptly to be granted.

Decisions on Canadian Laws

THE JUDICIAL COMMITTEE OF THE Privy Council, the highest appeal court in the British Empire, on January 28 handed down judgments, closely paralleling previous opinions of the Supreme Court of Canada, on the social and business reform measures passed in the Bennett administration.

Price regulation and production control agreements, provided for in the most important section of the Dominion Trade and Industry Commission Act, were declared unconstitutional. The section also provided for exemption of parties to the agreement from prosecution under antitrust laws.

Other laws held unconstitutional were: An act for price fixing, production, and marketing regulation schemes by groups of producers of a "natural product"; a scheme for unemployment insurance on a contribution basis; and the Minimum Wages Act, the Limitation of Hours of Work Act, and Weekly Day of Rest Act.

Upheld were provisions for penalties for price-discrimination practices and an act providing for scaling down indebtedness of farmers under agreements with creditors.

GOVERNMENT

Federal Live-Stock Outlook

GOVERNMENT PREDICTIONS MADE IN February outlook reports on cattle, hogs, lambs, wool, and demand are summarized as below:

Cattle.—Price advance of better grades of slaughter cattle probably will continue or at least be maintained in the first half of 1937. Lower grades should advance seasonally in the next three or four months. For the entire year, prices should average 10 to 20 per cent higher than in 1936. Supplies of better grades of grain-feds may fall off considerably in the next six months because of current short feed grain supply. For the year, inspected cattle and calf slaughter is expected to be smaller than the record high of the last year but larger than average for the ten years 1924-33.

Hogs.—Any advance in hog prices during the next two months should be small, because present pork holdings are heavy and will tend to offset effects of smaller market supplies. Some price decline may occur in late April and May when last fall's pig crop begins to come to market in larger volume. If 1937 corn crop prospects are favorable, market supplies of hogs in late summer will be smaller than a year earlier and prices in this period may advance to top levels for the present marketing year (through September 30).

Lambs.—Lamb prices should advance somewhat during next three months because of reduced supplies and improved demand. Fewer lambs on feed on January 1 and large market supplies in January may make for a seasonal decrease in sheep and lamb slaughter during the remainder of the 1936-37 fed-lamb marketing season (up to May 1, 1937). California new lamb marketings may be later than usual because of unfavorable weather and feeding conditions. A large April and May market movement of grass-fat yearlings from Texas is probable.

Wool.—Limited domestic wool supply on hand and the strong market abroad should maintain prices of spot wools in the domestic market near present high levels for the next few months. Wool supplies in foreign countries probably will continue relatively small, at least until the Southern Hemisphere clip becomes available in early fall. Demand for wool abroad is expected to continue favorable during the next six months.

Demand.—A generally favorable domestic demand situation for farm products during 1937 is indicated by evidence pointing to continued improvement in consumer purchasing power. The upward trend of industrial activity, temporarily interrupted in January as the result of floods and labor strikes, is expected to be resumed during the next few months. No material change in the foreign demand situation for farm products has occurred in recent months nor is any change expected in the near future.

Clippings from the Capitol

Trade pact power was renewed when the Senate by vote of 58 to 24 passed and sent to the White House the Trade Agreement Bill. Due to expire June 12, the act empowers the State Department to negotiate trade agreements for another three years. Opponents argued in vain that the act was an unlawful delegation of legislative power; that Senate approval in tariff making is a necessary check on "dreamers;" that American agriculture would suffer; that the ratification method is still practicable, since even most countries with which the department has recently negotiated require parliamentary ratification; that concessions under reciprocal treaties weaken protective tariff barriers vital to American business.

* * *

To sheep and goat raisers, S. 856, Senator Arthur Capper's newly revised "truth in fabrics act of 1937," recently introduced in the Senate, is of special interest. A similar bill received committee consideration several years ago but failed to reach the floor of either branch of Congress. The new bill eliminates many of the objectionable features of the previous one.

* * *

Emergency crop and feed loans provided from a recently appropriated fund of $50,000,000 are now being disbursed, and local county committees are organized to receive applications, announces the Farm Credit Administration. As in previous years, loans are being made only to farmers who cannot secure a loan from other sources. Maximum to any farmer is $400.

* * *

Great Plains drought committee suggestions laid before Congress by President Roosevelt included: (1) A ten-year plan of continued investigation and surveys; (2) continued acquisition of land in the range country, with rehabilitation as the objective; (3) enlargement of farms too small for efficient operation; (4) water resources development; (5) resettlement; (6) compensation to local government where federal land acquisition causes loss in tax revenue; (7) control and eradication of insect pests; (8) inquiry into possibility of developing other resources in the area.

Retirement of Dr. George W. Pope, chief of the Field Inspection Division of the Bureau of Animal Industry, is announced by the Department of Agriculture. He had served under nine secretaries of agriculture. Dr. Pope was one of the first inspectors assigned to inspection of export live stock at Boston in 1895 when thousands of slaughter cattle were being shipped to Europe. He became acting chief of the Field Inspection Division in 1922 and became chief in 1928.

* * *

President Roosevelt on February 9 signed the $949,000,000 deficiency relief bill providing $790,000,000 to continue the government's work relief and flood rehabilitation program until June 30.

* * *

A sugar processing-tax bill, drawn at the request of the President and embodying his proposals for new regulations governing the sugar industry, was introduced in the Senate on March 2. The tax is set at ¾ cent a pound on sugar, raw value, which it is estimated will add $100,000,000 to the treasury, half of which may be passed on to producers. The bill seeks to drive child labor from the beet fields and offers encouragement to small farmers.

* * *

S. 1406, permitting the Department of Agriculture to purchase fish for relief, passed the Senate on February 15.

* * *

Senate on March 3 passed a permanent neutrality bill that would put commerce with fighting nations on a "cash and carry" basis. Among provisions are: (1) Mandatory embargo on shipments of arms, munitions, and actual implements of war to belligerent nations; (2) presidential authority to list additional prohibitive "articles or materials;" (3) ban on shipments to belligerents of any material until ownership has been transferred to some foreign agency or government; (4) prohibition against credits to belligerents; (5) ban against Americans traveling on ships of nations at war. The measure now goes to the House.

* * *

Justices are permitted to retire at seventy on full pay of $20,000 under the Sumners bill signed by President Roosevelt on March 1.

* * *

CCC army, under administration proposal, would be cut by 50,000 after July 1 in an economy move. There are now 2,086 camps, and the administration plan is to reduce the number to 1,456 in the next year.

* * *

Tenant legislation to "improve the present intolerable condition of 3,000,000 farm tenants," as urged by President Roosevelt, would: (1) Open the doors of ownership to tenants having requisite ability and experience; (2) provide modest loans and guidance to prevent owners from slipping into tenancy; (3) call for co-operation with state and local agencies of government to improve the general leasing system; and (4) retire, through public agencies, land proved unsuited for farming and assist families living thereon in finding good land.

* * *

Extension for three years of the period during which farm borrowers from federal land banks will benefit from lower interest rates is the intent of a bill introduced by Senator Capper. An interest rate of 3 per cent would be provided for the period ending July 1, 1939. Unless Congress acts, a rate of 4½ per cent will go into effect July 1.

* * *

Use of gold reserves as a basis for new money for farm loans is contemplated in a bill favorably reported out of the House Agricultural Committee. It is asserted that the legislation would permit farm loans at 2 per cent interest.

* * *

Appointment of F. R. Carpenter as director of grazing, made around the first of the year, was confirmed by the Senate on January 30.

* * *

The crop insurance part of the administration's agricultural program, as recommended by a committee headed by the Secretary of Agriculture and including farm leaders and government economists, and supported by President Roosevelt, calls for: (1) Insuring wheat farmers a steady yield beginning in 1938; (2) collection of premiums in wheat or the cash equivalent; (3) storage of wheat premiums in federal warehouses for release in years of low production; (4) a federal appropriation for financing administration of the program; (5) extension of crop insurance eventually to corn, cotton, and other major crops.

* * *

Senator James P. Pope, of Idaho, offered on February 8, a bill embodying the administration's new crop program, to set up a $100,000,000 federal crop insurance corporation to write all-risk insurance on wheat. The bill would permit payment of premium and indemnity in either cash or wheat. The corporation would be given authority to buy and sell wheat, under restrictions, to carry out the purpose of the act. No losses due to leglect or malfeasance would be paid.

* * *

Co-operative purchasing of farm supplies in the United States has increased during the last decade from 3 per cent of the total supplies to about 12 per cent.

TRAFFIC

Annual Report of Traffic Counsel

BY CALVIN L. BLAINE AND CHARLES E. BLAINE
Phoenix, Arizona

CASES PREVIOUSLY DISPOSED of which should be reopened:

Routing of Live Stock in Western District.—This proceeding was decided by the commission on July 23, 1935. . . . It grew out of an attempt of the Union Pacific System to restrict routing on live stock between points in Utah, Nevada, and California on the former L. A. & S. L. R. R., one of its subsidiaries, on the one hand, and destinations east thereof, on the other hand, to the Union Pacific line through Wyoming. This would have had the effect of canceling the then existing through route and joint rates via the Los Angeles, Provo or Salt Lake City, and the Rio Grande and its eastern connections. . . . We . . . filed petition . . . for suspension of the proposed schedules. The commission . . . held the suspended schedules not justified, ordered them canceled and the proceeding discontinued. . . . However, said order did not require the continued maintenance of the through route and joint rates via the Rio Grande. . . .

The tariff containing the route and rates concerned was reissued and became effective November 15, 1936. . . . The items originally concerned . . . were brought forward in the new issue without material change. However, the former Los Angeles [becoming] a portion of the Union Pacific . . . had the effect of canceling the through route and joint rates via the route of the Rio Grande. . . . Consequently . . . combination of the full local rates . . . over the junction point between the Union Pacific and the Rio Grande is legally applicable. . . . The Rio Grande and the producers were under the impression that the cancelation . . . thus effected was the result of an inadvertence. . . . Officials of the Union Pacific . . . conceded such fact. However, they have refused to reestablish the through route and joint rates via the Rio Grande. The latter has filed petition . . . for reopening of the above entitled proceeding. . . .

It is our recommendation . . . that the producers join in the second petition of the Rio Grande . . . to secure the reestablishment of the through route and joint rates. . . .

Coast Packing Co. v. Gilmore & Pittsburg R. Co.—We did not participate in this proceeding. It grew out of . . . complaints . . . that . . . the railroads had not published the through rates prescribed by the commission . . . but . . . had applied . . . combination of local rates over the junction points of the Gilmore and Pacific with the former Oregon Short Line. . . .

The main line of the Gilmore extends in an easterly direction from Salmon, Idaho, to the junction with the Union Pacific at Armstead. . . . A branch line extends southerly . . . from Leadore to Gilmore, Idaho. The line of the Pacific extends southwesterly from New Meadows, Idaho, to Weiser . . . where it has an interchange junction with the Union Pacific. . . .

Defendants made no attempt to defend the rates assailed. . . . They expressed willingness . . . to join in the establishment . . . of through rates . . . which would be lower than the combination rates then applicable. Thus, the pivotal point . . . was the volume of such rates. . . .

There was an utter lack of unison between the various complainants and the intervener supporting the complaint respecting basis of rates the commission should establish. . . .

The commission in its decision . . . condemned the rates assailed and in lieu thereof prescribed for the future rates on the basis of the respective scales prescribed by it in the *Western Live Stock Case* for the entire distances from origin to destination, plus arbitraries to accrue solely to the short lines of 1 cent per 100 pounds for each 10 miles or fraction thereof for the distances over those respective lines. . . .

We readily recognized that the decision was opposed to the weight of the commission's previous decisions and would . . . result in . . . damage to the producers. . . .

The rates prescribed . . . have been established to and from the points named in the . . . complaints. Moreover . . . we received schedules . . . which name increases ranging from 1 to 11 cents per 100 pounds in the present rates on all livestock traffic between points on the Gilmore and the Pacific, on the one hand, and all other points throughout the entire nation, except those named in the four complaints . . ., on the other hand. . . .

It is clear from the decision that the commission was laboring under a serious misapprehension. The commission . . . stated: "While our findings will result in reduced rates for future application. . . ." Thus it is clear that the commission did not contemplate any increases in any rates as a result of its decision herein. Moreover, the commission . . . stated in substance that the rates between points on the Gilmore and the Pacific, on the one hand, and the markets of Denver, Omaha, and Chicago were not involved.

Furthermore, the authorization by the commission of any arbitraries account movements via the Pacific since that line has become a branch of the Union Pacific is wholly contrary to its previous and repeated decisions.

In addition, the prescribed arbitraries —1 cent for each 10 miles or fraction thereof—for application via the Gilmore are entirely too high. They are based upon the arbitraries previously prescribed on wool from origins on the Gilmore, but in that case they were superimposed only upon the distance from Armstead, the junction with the Gilmore. In the instant proceeding they are superimposed upon the total distance involved, including the distance via the Gilmore.

Consequently we recommend that petition for reopening and reconsideration of the proceeding to be filed and prosecuted to a favorable conclusion.

Excerpts from the report of the assistant traffic counsel and the traffic counsel for the American National Live Stock Association submitted at the El Paso convention, held on January 12-14, 1937.

MARKETS

Meat Troubles

(Continued from page 5)

and the number will be increased by inability to liquidate subsequent to shearing this spring. Tennessee and Kentucky have the usual number of lambs, but there will be a decided increase in the Corn Belt where farm flocks have been expanded and conditions are favorable for a large percentage of lambs.

Competition between Meats Keen

Forecasters of meat scarcity this year have been discredited. Including poultry but excluding fish, reserve stocks are actually burdensome. About 170,000,000 pounds of poultry is handicapping meat, as restaurants have a confirmed habit of "pushing" avian food. The forthcoming mid-March statement of provision stocks is expected to show further gains in both lard and pork in its various commercial forms, although this is regarded as insurance against reduced summer production. Stocks of beef are much heavier than at the corresponding period of 1936, but none of it affects trade in fresh dressed product, as the entire package is inferior product, mostly boned, that eventually finds its way into sausage, pressed meats, and delicatessen goods. Regulation old-style canned beef is no longer a domestic product of serious import, Argentina and Uruguay furnishing the bulk, but this product is in keen competition with domestic beef, as it possesses the merit of cutting without crumbling, making it available for sandwich making and sliced-meat trade. The keenest kind of competition exists between every item on a food list comprising beef, veal, pork, lamb, mutton, poultry, fish, and eggs, economically minded consumers switching from one to another.

Summary

Summarizing prospects based on personal and other opinion, the subjoined appears logical.

Heavy long-fed bullocks are at the disappearance stage; another crop cannot be made until new corn is available next October, or earlier, according to the season. If the government pegs the price above a level where feeders can afford to operate, scarcity will be prolonged.

Spring and summer cattle supply will be mainly on the near-beef order. Common steers will report more numerously as grass becomes an influence.

Spreads between choice and common steers will widen. Cattle adapted to substitution will move closer to choice bullocks.

The summer and fall yearling supply —steers and heifers—will go to the killer short of finish and earlier than usual owing to the feed bills.

Until the Argentine menace has been ditched or made effective, speculation as to the outcome is futile.

Elimination of industrial warfare—using that term advisedly—will put cattle trade on an even keel. After the preliminary fanfare, settlement on a compromise basis will follow the usual formula; otherwise, 1893 conditions will be repeated.

Stock cattle prices will depend on summer pasture and the outcome of the corn crop.

Beef tonnage will be sharply curtailed, irrespective of cattle numbers, by short-routing the summer crop to market.

Hogs have been so closely marketed that a price upturn will be logical. All winter packers have been putting up droves around $10 per cwt.; without an advance in hog prices, inventory profits will be impossible. Reductions or cessation of imports will mark hogs up promptly. The winter accumulation of lard and meats is enormous but in strong hands.

A brief gap in lamb supply impends, as the winter-fed crop has been practically garnered. California is short, although condition will be superior to prospects in January. About 25 per cent will be feeders. Few winter-fed lambs remain east of the Missouri River; Kentucky and Tennessee may move later than usual; and Texas is an unknown factor, estimates on the movement of yearlings after shearing ranging from 200,000 to 500,000 head. A large crop of native lambs will be marketed subsequent to July, coming in competition with the fat end of the northwestern range supply.

With the exception of lambs, killers are running with substantially less volume than last year, especially with respect to beef and to a lesser extent to pork. Barring a spring bare spot, there will be plenty of lambs to go around.

Consumers are restless over increased cost of meat. Purchasing power, greater than last year, is threatened by suspension of pay rolls even temporarily. When the paymaster sits down, trouble ensues.

Live-Stock and Meat Situation

DECLINES OF FROM 9 TO 13 PER CENT in the wholesale prices of fresh veal and of 4 to 12 per cent in the market prices of veal calves featured the live-stock and meat trade during February, according to a review issued by the Institute of American Meat Packers.

Most grades of fresh beef showed little or no change in price, except slight declines in wholesale of a few of the better grades and some increase in less finished grades. Wholesale fresh pork loins at close of February were about the same as at the beginning of the month. Most smoked pork products were steady to slightly higher; a few items were slightly lower. Lard prices declined. Following substantial declines in sheep and lamb receipts, price increases occurred in all grades of dressed lamb.

Production of beef was somewhat smaller as compared with a year ago but apparently about 10 per cent greater than the average for 1929-33. Veal production was greater than in February last year and substantially above the average for that month. Production of lamb and mutton, although somewhat smaller than in last February, was about equal to average. Lard production was about 14 per cent greater than a year ago but 50 per cent smaller than in the five-year period.

Consumer purchasing power in January, according to Bureau of Labor Statistics, was slightly lower than in December—probably the result of floods and labor disturbances—but was about 23 per cent higher than in January a year ago. Foreign demand for American meat and meat products continued unsatisfactory.

Cattle and Beef

Receipts of cattle at seven principal midwestern markets during February were about 6 per cent smaller than in the same month a year ago and somewhat less than in January. Probably the lightest supply of cows for any month during the past year was marketed in February. Receipts of the more highly finished cattle were light.

Prices during the first three weeks were somewhat lower than in January but most grades closed slightly higher than at the opening. Although supplies of fresh beef were smaller than in January, those of beef from the better grades of lightweights increased and prices declined somewhat. Beef from less finished light grades advanced slightly. Prices of most other grades

remained about the same. Demand for forequarters continued unsatisfactory.

Receipts of calves were considerably greater than in February a year ago but somewhat smaller than in January. Prices of vealers closed from 4 to 12 per cent down. Calves also declined until the last week, when slight increase occurred. Wholesale prices of fresh veal moved steadily lower and closed substantially below opening levels.

Pork and Swine

After the first week, when receipts declined somewhat, hogs were marketed in fairly large numbers. Prices declined gradually and closed somewhat lower than at the opening. Average live weight was slightly under that of a year ago, but hogs marketed in some areas were fully up to a year ago. Quality remained about the same as in the past few months, although some improvement in yields occurred owing to longer feeding period and increase in weights in recent weeks. Light, less finished hogs still are coming from areas of feed shortage.

Sheep and Lambs

Receipts of sheep and lambs dropped off considerably from those of February a year ago and were substantially less than in January. Following the smaller supply, prices moved upward and closed slightly higher.

Demand for dressed lamb increased somewhat and wholesale prices advanced steadily and were substantially higher at the close.

Wool Market Quiet

BY J.E.P.

WOOL RAN INTO THE USUAL "DEAD spot" in February, causing mild alarm in packing circles, where pelt credits were promptly reduced, also putting prices on a normal basis, which means practical suspension of business. The only feature is heavy imports of antipodean wools, which are necessary to keep looms in operation. Texas wools will soon be available at eastern markets, as practically the entire clip was contracted for post-shearing delivery; otherwise there is no indication of anxiety on the part of growers, or to load up by processors. The world's supply is in strong hands and may not be sufficient to go around, necessitating increased use of substitutes. When the market comes to life as the new domestic clip moves, a diagnosis will be possible. Meanwhile one guess is a good as another, and lower prices are not generally expected.

Naturally, with the trade indisposed to press sales, the market is quiet. Weekly volume of spot wool trade at Atlantic seaboard is so limited as to make reliable quotations impossible. Fine combing delaine is quoted at 46 to 47 cents in the grease; fine clothing, 40 to 42 cents; half blood staple, 48 to 49 cents; half blood clothing, 44 to 45 cents; three-eighths blood combing, 51 to 53 cents; three-eighths blood clothing, 45 to 46 cents; quarter blood combing, 51 to 52 cents; low quarter blood combing, 45 to 47 cents. Consensus is that these prices will not change materially.

Since the turn of the year the market has exibited nervousness. Possibly the halt is a healthy indication, as the element of fear is entirely lacking. The price structure has not been affected, poundage in warehouses is at low ebb, carrying charges are not onerous, as money is easy, and the trade is letting the market take its course. Prediction of lower prices coming from eastern markets is seasonal and to be taken with the proverbial grain of salt. It has a phonograph-record flavor.

Potential business is suggested by constant inquiry by weavers—always with a demand for concessions. Speculative buying is not likely at the new scale of prices, although the gambling microbe is not latent in any commodity market. Probably the present attitude of weavers is designed to keep the speculator on the side lines.

Mills are active, and as long as looms feel the impulse of power, wool will go into consumption. Actual supply is considerably below normal, fabrics and manufactured goods have been moved into consumptive channel freely all winter, and, while the national wardrobe has been replenished recently, no serious constriction is likely. Labor disturbance will not develop complete paralysis, as such troubles are usually adjudicated by compromise.

When the new clip is available the market will get a tryout, establishing a trade basis. Some of the foreign wools recently landed at Boston will go into domestic consumption, but, as they were bought on verbal descriptions, that portion found on inspection to be undesirable will be forwarded to other markets if prices there are not sufficiently lower to incur losses. In any event, a high level of prices is certain.

The textile industry is disturbed by a prospect of reciprocal trade agreements that may be unsatisfactory, if not dangerous. Importing clothiers have already approached Washington in quest of lower tariffs or special trade agreements. This program is loaded with dynamite and could work heavy damage to both textile and domestic wool industries.

Current demand for men's wear goods is slow, but women's wear trade is active. Retail stocks are low, retailers refusing to buy in excess of actual requirements under existing conditions, as they are apprehensive of boosting prices of fabrics and manufactured goods. An opinion has generated that prices are high enough if consumer resentment is to be avoided.

Japan has resumed buying in Australia, injecting a bullish factor, the evident intention being to accumulate stocks, as the United Kingdom, France, and Belgium need constant replenishment. Germany is short of clothing and would be in the market but for scarcity of exchange. Recent report from that country is that more of this exchange is to be used for acquiring food and raw materials, which would inject at least temporary buying power into a wool market that is in no pressing need of new customers.

Wool sales at shearing stations adjacent to Chicago usually herald prices of the new clip, but that trade has practically disappeared, as feeders cannot afford to shear at present feed cost. Apprehension of lower prices in Packingtown is indicated by reduced credits to buyers on current purchases of lambs.

Meat Holdings

Commodity in Pounds (000 omitted)	Feb. 1 1937	Feb. 1 1936	Five-Yr. Aver.
Frozen beef	148,180	82,373	59,899
Cured beef*	32,775	22,074	19,166
Lamb and mutton	10,486	2,824	2.960
Frozen pork	322,765	103,153	166.952
Dry salt pork*	76,210	79,664	89,081
Pickled pork*	340,191	253,225	360,699
Miscellaneous	131,709	79,034	75,334
Total meats	1,062,316	622,347	774,091
Lard	182,319	75.669	97,639
Frozen poultry	178,072	103,833	112,537
Creamery butter	42,484	21,502	31,349
Eggs (case equiv.)	1,597	1,865	1,804

*Cured or in process of cure.

Imports and Exports

IN THE FOLLOWING TABLE ARE SHOWN import and export quantities of specified agricultural products, as compiled from official records of the Bureau of Foreign and Domestic Commerce, for the period January to December, inclusive, 1935 and 1936:

IMPORTS FOR CONSUMPTION

	1936 (Thous.)	1935 (Thous.)
Live cattle (No.)	410	378
Canned beef, inc. corned (Lb.)	87,764	76,263
Butter (Lb.)	9,874	22,675
Cheese (Lb.)	59,849	48,933
Egg products, excl. eggs in shell (Lb.)	8,598	7,631
Tallow (Lb.)	78,694	245,851
Wool* (Lb.)	122,951	48,634
Grains—		
Wheat ** (Bu.)	39,669	27,439
Corn (Bu.)	31,471	43,242
Oats (Bu.)	149	10,107
Rye (Bu.)	3,889	9,643
Barley malt (Lb.)	301,767	320,623
Flaxseed (Bu.)	15,365	17,560
Copra (Lb.)	364,493	454,134
Vegetable oils—		
Coconut (Lb.)	322,065	353,406
Palm (Lb.)	338,789	297,579
Tung (Lb.)	134,830	120,059
Perilla (Lb.)	117,903	72,328
Sugar, raw (Ton)	2,929	2,455
Molasses (Gal.)	252,686	249,520

EXPORTS, DOMESTIC

	1936 (Thous.)	1935 (Thous.)
Bacon (Lb.)	4,095	5,868
Hams, shldrs. † (Lb.)	42,439	55,823
Lard (Lb.)	111,292	96,355
Barley (Bu.)	7,377	7,507
Corn (Bu.)	524	177
Rice—		
Grain†† (Lb.)	21,771	164,348
Flour, meal, etc. (Lb.)	88	495
Wheat—		
Grain (Bu.)	1,879	233
Flour wholly of U. S. wheat (Bbl.)	978	938
Fresh Fruits—		
Apples (Bu.)	8,898	11,706
Pears (Lb.)	133,651	122,765
Oranges (Box)	4,241	5,463
Grapefruit (Box)	977	991
Dried Fruits—		
Apples (Lb.)	22,126	34,719
Apricots (Lb.)	25,795	27,551
Prunes (Lb.)	167,393	197,729
Raisins (Lb.)	92,952	109,620
Canned pears (Lb.)	57,077	88,428
Leaf Tobacco (Lb.)	406,810	381,182
Cotton, excluding linters (Bale)	5,409	5,861

*Excludes wool imported free in bond for use in carpets, etc.
**Includes only wheat full duty paid and 10 percent ad valorem.
†Includes Cumberland and Wiltshire sides.
††Includes paddy in terms of cleaned.

HARD WINTER BUT AMPLE FEED

TO THE PRODUCER: We have had a hard winter here—a lot of snow and 45 below zero. Live stock is looking fine and there is plenty of hay to carry the stock through.

Manti, Utah. N. P. MADSEN.

Hides Fairly Steady

BY J.E.P.

A SOMEWHAT SPASMODIC HIDE MARKET does not show decisive price changes. Mutations from week to week do not exceed ½ cent per pound. Spot trade has an easy undertone; futures show a downward trend. Packer hides are selling in a range of 13 to 16 cents, from branded cows on the low side to heavy native steers at the top. Country hides are nominal at 8½ to 11 cents.

Labor trouble is against the market, as expansion of the strike area means reduced buying of new footwear and more work for the cobbler. Cattle slaughter has not fallen off seriously compared with 1936, but spring and summer curtailment is inevitable.

Until the strike microbe became active, footwear was moving freely although price had been marked up to 5 to 15 cents per pair on popular priced shoes; 25 cents on better grades. Advertisements of rising cost of shoes may have stimulated advance buying, but the whole population is now comfortably shod, so that kiting prices will be difficult.

Government hides, acquired during the drought, have been materially reduced and are no longer an influence on prices. Raw stocks are about 12 per cent lower than last year, with a prospect of further diminution, especially if 1936 shoe production is maintained. In tanning and shoe-making circles labor disputes have not been serious. A few outbreaks in New England were promptly compromised.

Leather trade, dormant prior to inventory taking, is picking up. Tanners are lightly stocked but, encountering difficulty in replacement, are buying hides sparingly, reflecting a general disposition on the part of manufacturers to hold down raw material stocks.

South American hides have advanced above parity with domestic prices owing to continued broad demand from Europe on war preparation account. Present indications are that the current domestic take-off will go to the tan yard with reasonable promptitude at prices around present levels, unless cattle slaughter is materially reduced as the summer works along, in which event packers would occupy a stronger position, tanners would buy for future requirements, and shoe manufactuerers would recede from their present hand-to-mouth leather buying policy.

Live Stock at Stock Yards

	January 1937	January 1936	Five-Yr. Av. 1932-36
RECEIPTS—			
Cattle*	1,174	1,259	1,116
Calves	517	534	491
Hogs	2,500	2,532	3,361
Sheep	2,063	1,862	1,942
TOTAL SHIPMENTS†—			
Cattle*	405	452	401
Calves	155	176	153
Hogs	712	752	1,045
Sheep	852	732	791
STOCKER AND FEEDER SHIPMENTS—			
Cattle*	152	161	138
Calves	32	36	30
Hogs	29	40	35
Sheep	115	94	118
FEDERAL INSPECTION SLAUGHTER—			
Cattle*	867	906	763
Calves	484	465	421
Hogs	3,519	3,428	4,319
Sheep	1,700	1,540	1,461

Three ciphers omitted. Receipts and shipments are for sixty-nine markets.
*Exclusive of calves.
†Includes stockers and feeders.

Chicago Prices

LIVE STOCK

	Mar. 1, 1937	Feb. 1, 1937	Mar. 2, 1936
SLTR. STEERS (1,100-1,500 lbs.):			
Choice	$12.50-14.25	$12.00-13.25	$10.50-11.50
Good	10.00-13.00	9.50-12.25	8.50-10.75
SLTR. STEERS (900-1,100 lb.):			
Choice	12.75-14.25	12.00-13.25	9.75-11.25
Good	9.75-13.00	9.50-12.25	8.25-10.50
SLTR. STEERS (900 lb. up):			
Med.	7.75-10.25	7.50-10.00	7.00- 8.50
FED YOUNG STEERS:			
Good-Ch...	9.50-13.50	9.50-13.25	7.50-10.50
HEIFERS:			
Good-Ch...	8.50-12.25	8.25-12.00	7.00- 8.75
COWS:			
Good	6.00- 7.00	6.00- 6.75	5.75- 6.50
CALVES:			
Good-Ch...	6.25- 7.75	5.50- 7.75	6.50- 9.00
FEEDERS AND STOCKERS:			
Good-Ch.	6.75- 9.00	6.75- 9.00	6.75- 7.75
Com.-Med.	5.50- 6.75	5.50- 6.75	5.25- 6.75
HOGS:			
Med. Wts.	9.10-10.30	10.10-10.25	10.00-10.60
LAMBS:			
Good-Ch...	10.00-11.00	9.50-10.15	9.00-10.00
EWES:			
Good-Ch...	5.25- 6.40	4.50- 5.75	4.35- 5.60

WESTERN DRESSED MEATS

	Mar. 1, 1937	Feb. 1, 1937	Mar. 2, 1936
STEER (700 lb. up):			
Choice	$16.00-17.50	$16.00-17.50	$14.00-15.50
Good	13.00-16.00	13.00-16.00	11.50-14.00
STEER (500-700 lb.):			
Choice	16.00-17.50	16.00-18.00	12.50-14.50
Good	13.00-16.00	12.50-16.50	11.00-12.50
YEARLING STEER:			
Choice	16.00-17.50	16.50-18.00	12.50-14.00
Good	13.00-16.00	13.00-16.50	11.00-12.50
COW:			
Good	11.00-12.00	11.00-12.00	10.00-10.50
VEAL:			
Choice	13.50-14.50	15.50-16.50	13.00-14.00
Good	12.50-13.50	14.50-15.50	12.00-13.00
LAMB:			
Choice	15.00-18.00	12.50-15.00	15.00-16.50
Good	14.00-17.00	11.50-14.00	14.50-15.50
MUTTON:			
Good	8.00- 9.00	7.00- 8.00	8.00- 9.00
PORK LOINS:			
8-12 lb. Av.	17.50-20.00	16.50-19.00	17.00-19.00

FOREIGN

English Letter

BY J. RAYMOND

[*Special Correspondence to The Producer*]

LONDON, February 15, 1937

BOTH THE PRODUCERS AND the meat trade have united in declamation against the government's live-stock bill, aimed at aiding the British beef cattle producer. The bill has passed two readings in the House of Commons and is now in the committee stage. That is to say, a Standing Committee, comprised of 60 members who have no financial interest in the industry, has to decide upon the various amendments submitted and to consider, if necessary, to revise, each clause of the bill so that it is more or less "water-tight" when it is put before the House for its third reading. The bill is then submitted to the House of Lords, then back to the House of Commons, and after receiving the King's signature, it becomes the law of the land.

Briefly, the bill proposes the setting up of a live-stock commission which will administer the £5,000,000 cattle subsidy to be derived from the proceeds of the levy on imported foreign beef and, in collaboration with the Board of Trade, control imports when the necessity arises. The commission will be a permanent body and will be empowered to introduce schemes designed to deal with the promotion of research and education in production, marketing, and slaughtering; the encouragement of co-operation between the several interests in the industry; the insurance of live stock; the collection of levies under live-stock interests orders; and the advertising of meat and its by-products.

The commission will regulate all live-stock markets in England and Wales, closing any considered to be redundant, and the bill proposes that, as an experiment, three large-scale centralized abattoirs be erected by public authorities by grant or loan of not more than $1,000,000. The proposal to establish these abattoirs is in accordance with the views expressed by the Reorganization Commission for Fat Stock in 1934. This commission reported that "the centralization of slaughtering facilities is inevitable and desirable in the interests of the home live-stock and meat industry." The proposed live-stock commission will be empowered to close any redundant slaughterhouses, with compensation for the owners, in the area of an experimental scheme and to limit the operations of private concerns if necessary for the economical operation of the central abattoir. Local authorities or joint bodies controlling operations of central slaughterhouses will be permitted to prepare and sell the by-products of live stock.

The Cattle Subsidy

Much of the criticism aimed at the bill concerns centralized slaughtering proposals. At one time the producers' organizations were keen protagonists of this scheme, as they hoped that the ownership and control of central abattoirs would be in the hands of farmers' co-operative movements. In their case the pendulum of opinion has now swung violently in the opposite direction. They complain that the producer, the distributor, and the consumer will, between them, have to bear the cost of transporting the live stock to the abattoir, which may be 30 miles or more distant from the farm, and there will then be the cost of transporting the meat from the abattoir to the point of distribution. The producers also claim that the bill does not go far enough and does not implement the Ottawa agreements to a satisfactory extent, while the subsidy is inadequate in view of the soaring prices of feedstuffs. Two grades or standards of eligibility are proposed. The ordinary subsidy of $1.25 per live cwt. will be paid in respect of home-bred heifers and cow-heifers, giving a dressed carcass yield of 54 per cent, or 60 pounds to the cwt. The ordinary subsidy in respect of imported animals will be 62 cents per cwt. A "quality" subsidy of $1.87 per live cwt. will be paid in respect of steers, heifers, and cow-heifers which must give a dressed carcass yield of 64 pounds to the cwt., or 57 per cent. The "quality" subsidy for imported animals will be $1.25 per live cwt. Animals qualifying for the lower subsidy must weigh not less than 6½ cwt. and must not exceed 13 cwt. live weight. For the "quality" subsidy, steers must weigh not less than 7½ cwt. live weight and heifers not less than 7 cwt. live weight. The maximum weight for the higher rate of subsidy is 12 cwt. live weight. No subsidy will be paid in respect of imported animals that have not been in the United Kingdom for at least three months prior to certification. The meat trade strongly objects to the payment of the subsidy in respect of cow-heifers, which the Ministry of Agriculture defines as "any female which has calved but which has not grown more than six permanent incisor teeth and has still at least one temporary incisor tooth." In reply to the argument that the subsidy should go to the beef producer and not to the dairy industry, the Standing Committee considering the live-stock bill contends that great hardship would result if cow-heifer meat were excluded, although the government might find it desirable later to withdraw the subsidy for cow-heifers. It is doubtful whether the bill will be amended to any appreciable extent, notwithstanding the fact that over 350 amendments have been put forward for the Standing Committee's consideration.

Pedigree Sales Activity

Several purchases for export to the United States have been made at the recent sales of pedigree cattle. At the spring show and sale at Perth, held by the Scottish Shorthorn Breeders' Association, 210 bulls and 9 heifers returned a total of $146,880, the bulls averaging $700 and the heifers $103 apiece. Top price of $6,000 was paid in two instances for export purchases. At the Perth Aberdeen-Angus sales, top price of $6,000 was paid for a yearling bull by a Buenos Aires buyer. At this event, 361 bulls averaged $300 and 177 females averaged $171 apiece, the total of $139,110 being realized for 538 head, as compared with $158,458 last year. Top price for heifers was $1,400.

Better Demand for Beef Cattle

Despite floods in most parts of the country, with large areas of grazing land under water, the markets are well supplied with fat cattle of good average quality. Save at one or two centers, firm or higher prices are reported for steers and heifers, and the demand and prices for fat cows also show an improvement on those which have ruled in

recent weeks. Shorthorns and polled beasts are fetching from $7 to $8.50 per cwt. and fat cows are offered at $3.75 to $6.25. More interest is also being shown in store cattle and buyers are having to pay slightly enhanced values. Two-year-old stores are fetching from $60 to $80 per head, with yearlings well in demand at $35 to $62, and rearing calves making up $12.50 to $21 each. Vealers are scarce at tiptop rates. With a keen demand for fat sheep, advances of 1 to 3 cents per pound on the month are recorded, the average price being around 25 cents per pound. The market quotations for store sheep also show an improvement, fullmouth ewes averaging $12.50 each, and tegs or hoggs selling freely at around $10.75 each. The collapse of the 1937 pig contracts under the Bacon Marketing Scheme, coupled with a sharp rise in feedstuff prices, caused feeders to check the raising of baconers and flood the market with 70-pound porkers. In consequence, the bottom dropped out of the pork market. During the last week or two, however, the market has rallied with a diminution in the number of lightweight porkers sent to the hooks, but the large pennings of porkers and baconers are still well in excess of the demand, the best porkers fetching around $3.50 per score and first quality baconers making around $3.25. Lambing is now getting into swing and average falls are anticipated in all districts.

Australian Letter

BY A. C. MILLS

[Special Correspondence to The Producer]

MELBOURNE, January 14, 1937

AS AN OUTCOME OF A REQUEST by the United Graziers' Association of Queensland for a subsidy on export beef (the association asked for £1,000,000, say $5,000,000, to be spread over three years), federal government in April, 1935, appointed Ross Grant, one of its senior veterinary officers, to inquire into the beef cattle industry in the north.

Cattle Inquiry Report Released

After spending some months in the main cattle-breeding areas, Mr. Grant duly presented a comprehensive report to government, but it is only within the last few weeks that the gist of this has been released. Even now government has given no indication as to its intentions in relation thereto.

Mr. Grant says, inter alia, that the cattle industry has reached a position of extreme difficulty, due, in the main, to external causes such as the loss of continental markets and low prices of beef in importing countries. He acknowledges that no practical remedy can be put forward for that state of affairs, but holds that there are certain internal disabilities which contribute to the difficulties, against which it is possible to adopt palliative measures.

Transport Improvement Recommended

Amongst the relief measures recommended by Mr. Grant are the provisions of more watering facilities on stock routes leading to railroads and an improvement in rail transport. Under the latter heading he suggests that cattle trucks should be padded to minimize bruising during long journeys and the construction of more railroads into the back country. As he points out, it would be of little use for growers in remote districts to improve the general standards of quality of their cattle if they are unable to reach a market through lack of transport facilities.

Mr. Grant expresses an opinion that no improvement in rolling stock or methods of handling on the railways can be of much avail unless aided by the co-operation of growers. The main essential, so far as the grower is concerned, is the production of hornless types of cattle by the use of the polled breeds, or, where this is not practicable, by systematic dehorning in early life. The proper handling of cattle on the ranch is also a factor in rendering them more tractable during transport.

Production Found Costly

When discussing the knotty problem of cost of production, the report says that a reduction in expenses to the lowest possible point is essential if the beef industry of tropical Australia is to survive. The main items of costs, other than wages and rations of employes on the ranches, are land rents, rates, taxes (particularly heavy on those properties situated near centers of population), and railroad freights. Though costs under these headings may not be high from the point of view of the authorities concerned, they certainly are out of proportion to the value of export beef cattle.

Export Bounty Only Palliative

Mr. Grant is quite definite in his recommendations on the export beef bounty question. He finds that financial help is really called for, though he believes that the condition of the industry is such that a bounty would be a palliative only. He then goes on to say that if government does decide to pay a bounty it should be spread over six years and not three years as requested by the Queensland Graziers' Association. Thus if approximately $5,000,000 were to be paid, it should be at the rate of 1 cent a pound over six years rather than 2 cents a pound over three years. His reason for this is that an export bounty over three years would not have the desired effect on the store cattle market because the period of payments would be too short.

He adds a proviso that if a bounty is paid it should be on meat which is a product of the legitimate beef industry and not on low-grade boneless beef, the product of worn-out dairy cows, or on boneless veal derived from immature calves.

I stated at the beginning of this letter that government had given no indication as to its intentions in regard to the report. This is true, but rumors are going round that government will grant a measure of financial assistance, though report is silent as to whether that will be as large as suggested. One cent a pound is not much, but it would represent an increase in the value of slaughter cattle of from $6 to $7.20 a head, which might make all the difference between selling at a profit or a loss.

New Agreement a Relief

The terms of the new Anglo-Argentine trade agreement, announced last month, have been received with relief by meat producers in Australia and New Zealand. Not only does the agreement place a further small restriction on importations of South American chilled beef into Great Britain but it also imposes a duty on foreign beef while leaving Dominion supplies exempt. Further, it removes the obstacle imposed in the previous Anglo-Argentine agreement on the development of the chilled beef trade between Britain and the Dominions. The 1933-36 convention provided that reductions in South American shipments beyond a specified figure should not be counteracted by increased exports of chilled beef from the Dominions. From

now on Australia and New Zealand may ship chilled beef to England to the limit of their respective quotas. Obviously they will not do so, at least immediately, for quality reasons.

It is gathered that the cut in foreign supplies of chilled beef, which amounts to 5 per cent on the 1935 importation into Great Britain and is spread over three years, will be shared by the Dominions on a pro rata basis. This, in the case of Australia, represents a market for somewhere about an additional 238,000 cwt., or 14 per cent on the 1935 total, by the end of the third year. The British duty on imported foreign chilled beef is $1\frac{1}{2}$ cents a pound, on frozen beef and veal $1\frac{1}{3}$ cents a pound, and 20 per cent ad valorem on boned beef and veal. It may be assumed that while South American packers will endeavor to pass a proportion of the tax into the British consumer, the lion's share will have to be carried by cattle producers in country of origin.

The cattle breeding and fattening areas of north Australia have received useful rains during the past few weeks and seasonal prospects there are now bright. This is the slack season so far as beef exports are concerned, operations being confined to small killings at a couple of plants in central and south Queensland. Packers have recently been paying up to and over $6.25 per hundred pounds cold weight for chilled steers and $6 per hundred for freezer types.

Meat Regulation in Germany

PROVIDING REGULAR MEAT SUPPLIES TO consumers, encouraging production, and maintaining fair prices are the objectives of new German live-stock and meat regulations.

Outstanding feature of the new rules is the new series of fixed prices for hogs. Previous regulations had maintained prices at the same level the year around, but now they will be higher from July through October than in any other period. Provisions have also been made for seasonal variations in the fixed prices of cattle by grades.

The new order divides Germany into surplus and deficit meat-producing areas and provides for establishment of distributing centers controlled by marketing boards so as to facilitate movement of stock from surplus to deficit areas. Shipments of meat, previously uncontrolled, also are to be regulated. In order to prevent processing plants from shifting production of special products during periods of shortages, provision is made for regulating factory production.

Maximum wholesale prices of pork, beef, veal, mutton, and lamb are fixed by the order but without regard to the seasonal variations in the fixed price of live stock. Substantial purchases of live stock by the government during periods of heavy deliveries and government distribution of meats during periods of shortages are to be depended upon to act as a price-stabilizing factor. Maximum retail prices for meats, fixed some time ago, have been left unchanged.

From the Foreign Field

Collective bargaining among agricultural workers is the design in a bill presented to Parliament by the French government. The measure would authorize the Minister of Agriculture to appoint commissions to draft so-called collective contracts regulating relations between employers and employees for specific types of farm enterprises.

* * *

Sausage from fish, indistinguishable from meat sausage and with nothing of a fish flavor, is being made in Germany in an experimental way.

* * *

Cottonseed oil production in Sao Paulo, Brazil, will amount to about 45,000 tons for 1936, having increased from 8,000 tons in 1931. During 1935 United States took 70 per cent of 8,000 tons exported and in the first nine months of 1936 about 95 per cent of 12,000 tons exported.

* * *

South Africa has recently initiated a scheme to designate quality of farm products, in some respects similar to our "government grading" or England's "National Mark," that will apply to commodities such as meat, eggs, and fruits and vegetables. The object is to educate consumers to the advantage of quality foods and demonstrate to producers the value of catering to discriminating palates. The scheme, entirely voluntary, will first be tried in Johannesburg.

* * *

Brazil, in order to stimulate sale of pork products, will attempt an arrangement with Great Britain and United States whereby the unsupplied proportion of the quarterly quota of pork imports assigned by the former to the latter will revert to Brazil during such period as the United States is unable to attain the quota figure.

* * *

World raw wool production during 1935-36 is estimated at 3,668,400,000 pounds, greasy basis, compared with 3,680,800,000 pounds in 1934-35. In 1929-30 production totaled 3,963,000,000 pounds.

* * *

Sheep population of the world in 1934 was about 685,000,000 head. In 1929 the total stood at 772,400,000. Largest variation occurred in Russia, its 1929 figures being 133,700,000, and 1934, 46,900,000.

* * *

First official estimate of the 1936-37 corn area in Argentina places total plantings at 16,309,000 acres—a decline of more than 13 per cent from record plantings of 18,854,000 acres last season. Previous five-year average was 15,250,000 acres.

* * *

Argentina's cotton cultivation area is estimated at 410,000 hectares (1,013,110 acres), representing about 1 per cent of the world's cotton acreage and less than a thirtieth of the cotton acreage in United States.

* * *

"Canus," a new variety of spring wheat that is said to be outstandingly drought-resistant, hardy enough to withstand permanent wilting and other ravages of a severe heat wave, has been developed at the University of Alberta, Canada.

* * *

Rust-resistant wheat, developed after many years of exacting research work by the Experimental Farms Branch of the Canadian Department of Agriculture, is now ready for large-scale distribution to farmers in rust-affected areas of the Prairie Provinces.

* * *

Average value of wheat production in the Prairie Provinces in Canada for 1936 was $7.59 per acre—an increase of 73 cents over the 1935 average value of $6.86.

* * *

Complete electrification of farm homes on a one-year trial basis has been started in a French community "to put wives on a forty-hour work week." At expiration of the trial period the customers, all located in the village of Hilaire-Sur-Helpe, will have the option of returning all electrical appliances without restrictions. Of the 83 families in the village, 80 per cent joined in the experiment.

* * *

Victorian landholders on February 10 started a drive to rid the state of rabbits—Australia's worst pest. Graziers and farmers are to clear their own properties, while "inspectors" will deal with "waste and Crown land." England and Wales also have their rabbit complaint. A scheme proposed there is to level all unnecessary fences and hedges under which rabbits breed and along which they feed, so that much land now useless may be reclaimed.

* * *

Why do waitresses always grab the menu after getting an order? The president of the National Restaurant Association says it is because the diner too often changes his mind if the menu is not removed.

ROUND THE RANGE

Range and Stock Conditions

FEBRUARY WEATHER WAS GENERALLY unfavorable for live stock in much of the northern sections, and considerable shrinkage in both cattle and sheep took place, although losses were not heavy, reports F. W. Beier, Jr., of the Denver office of the Division of Crop and Live Stock Estimates. Feed supplies were ample except in the 1936 drought areas and in California.

Condition was improved in the Southwest. Good spring range prospects ruled in most of Texas, southern Arizona, and New Mexico. Early setbacks of feed did not materialize, and stock is doing well. Northern Texas and the Panhandle are still very dry, getting little feed from wheat pastures. Northern Arizona has had much snow, requiring heavy feeding.

In most of Oklahoma and western Kansas the feed and stock situation is poor. Winter wheat provided little pasture; other feeds were very short. Live stock is in poor-to-fair condition. Light snows stopped dust storms in western Kansas and western Oklahoma, but soil moisture shortage is general.

Stock wintered well in Colorado, where feeds were ample except in southeastern parts. Winter sheep ranges in northwestern Colorado have been snow-covered, calling for heavy feeding. Wyoming stock is wintering well except in northeastern drought areas. Feed supplies, with some imports of concentrates, have been ample. Southwestern Wyoming winter ranges have had some snow.

Conditions continued poor over eastern Montana and the western Dakotas. Winter has been severe, with its considerable snow, and the reduced number of stock has had to be carried mostly on shipped-in feeds. Western Montana and eastern North Dakota have had ample feed to take care of stock from drought areas.

Live stock is wintering fairly well in western Nebraska. Some imported concentrates are being used to supplement local feed shortages.

Snow covered large areas in eastern Oregon, eastern Washington, and Idaho, requiring heavy feeding. These states have abundant feed, some of the surplus of which has gone to California. Stock wintered fairly well, but weather was unfavorable for early lambing.

Utah and Nevada have had heavy snow-covering on much of the winter range feed, making difficult the moving of sheep and feed and causing considerable shrinkage and some local loss of sheep. Cattle held up well. Heavy feeding reduced the ample supplies of locally grown fodder.

Feed conditions improved in southern California, but much of the northern part of the state suffered shortage. Lack of new feed in the north called for much in-shipment. Stock is in only fair condition, some local loss of cattle and considerable loss of early lambs having occurred.

Prices Received in 1936

BEEF CATTLE, CHICKENS, AND EGGS brought farmers lower prices in 1936 than in 1935, but the average of all live stock and live-stock products combined was up about 3 per cent during this period, according to estimates by the Bureau of Agricultural Economics.

Farmers reported higher prices in 1936 for hogs, veal calves, sheep, lambs, wool, horses, mules, butter, butterfat, and milk than in 1935. The average of prices for all live stock and live-stock products was 46 per cent higher in 1936 than in 1934, and 69 per cent higher than in 1933.

Increased consumer buying power was largely responsible for the increase in hog prices as an average for the country, despite increased slaughter of hogs, according to the report. Price-depressing factors on beef cattle were said to be increased slaughter and inferior quality of animals going to market. Wool prices advanced sharply on reduced production. Prices of horses were the highest since 1919, and of mules the highest in thirteen years of government records.

Taylor Act Amendment

AN AMENDMENT TO THE TAYLOR GRAZING Act, introduced in the Senate by Senator McCarran, of Nevada, includes among its provisions the following:

That permittees need not pay grazing fees on stock younger than one year;

That local grazing district advisory boards shall be provided for the several grazing districts, the boards to be composed of six to twelve members with the qualifications, except in the case of the Department of the Interior representative, of ten years' operation in the live-stock business and eligibility as preferential permittees;

That grazing district advisers make recommendations as to issuance or rejection of applications for permits, allocation of the range, necessary regulations for local administration of the district, and revision of boundary lines;

That the recommendations be given due consideration by the Secretary of the Interior, and in event they are not approved he shall assign his reasons therefor.

The *Wyoming Wool Grower*, organ of the Wyoming Wool Growers' Association, says that "adoption of the amendment would mean that advisory boards would have a real legal status under the act. Creation of such boards would be mandatory rather than permissive."

El Salvador Agreement Signed

TRADE AGREEMENT BETWEEN THE UNITED States and El Salvador, the sixteenth signed under authority of the Trade Agreements Act of 1934 and the ninth to be concluded with Latin American countries, was signed on February 19.

American products benefiting under the pact include hams, canned salmon and mackerel, fruits and vegetables, lumber, and rubber goods. Assurances against duty increases are provided on wheat, canned pork, and patent and other upper leathers. Reductions range from 50 to 83 per cent.

Advantages accruing to El Salvador consist of assurance of continued unrestricted duty-free treatment on coffee, the commodity which represented about 98 per cent of El Salvador's exports to the United States in 1935, and continued duty-free treatment on cocoa beans, deerskins, reptile skins, and tortoise shell. Lower rates are given on Peru balsam, honey, mango and guava pastes and pulp, and prepared or preserved guavas.

BULLETIN BOARD

Lower Charges at Denver

A DOWNWARD REVISION OF CHARGES FOR services, yardage, feed, and bedding at the Denver union stock yards has been ordered by the Department of Agriculture, effective March 19. Estimated annual saving to shippers is $50,000—the revenue difference between the old and new rates.

This revision is the culmination of an inquiry begun in 1934 under the Packers and Stock Yards Act. Hearings conducted at Denver, at which the American National Live Stock Association represented shippers, together with oral arguments in Washington, D. C., resulted in voluminous testimony and data covering rates, valuation, and details of operation.

The department found that the value of railroad terminal facilities is not properly a part of the rate base for establishing stock-yard rates; that loading and unloading live stock from railroad cars is a transportation service and should not be paid for again as a stock-yard expense; and that, notwithstanding recognized beneficial effect of live-stock exhibitions, in connection with which certain deficits had been incurred and absorbed by the stock-yard company, such exhibitions should not be included as a stock-yard expense.

Bulletins in Brief

Folks in New Mexico and Arizona who banked on the prophecies of the Navajos that the present winter would be the most severe in years are 'high-hatting" neighbors who swallowed the prognostication of the United States Weather Bureau. This authority assured farmers that they might look for another warm winter with abnormal rainfall, similar to that of the preceding year. The Indians were right.

* * *

Canned meat production in inspected plants during the last five months of 1936 was as follows: August, 40,589,581 pounds; September, 36,030,175; October, 61,594,632; November, 61,081,717; December, 66,015,403.

* * *

Farm wages in the United States on January 1, 1937, were $20.68 per month with board, $31.37 per month without board, and $1.10 per day with board, and $1.51 per day without board.

* * *

Production of boots, shoes, and slippers, other than rubber, in 1936 increased 8¼ per cent over the preceding year. Production last year totaled 415,-200,000 pairs against 383,700,000 in 1935.

* * *

The Interstate Commerce Commission, shortly after the first of the year ruled that the terminal charge of $2.70 per car at Chicago should be abolished. The complaint, brought by the Chicago Live Stock Exchange several years ago, charged the railroads were collecting double terminal charge—one that was actually included in the rate, and in addition thereto the $2.70 terminal charge that has been assessed on stock to Chicago for over forty years.

* * *

A packer shows distribution of the dollar he received for meats in 1936 as follows: 76.0 cents went to producers; 10.6 for labor; 3.4, transportation; .2, interest; 4.1, supplies; 4.2, rents, taxes, refrigerators, insurance, pensions, traveling, telephone, telegraph, stationery, depreciation, and other expense items; 1.5, net earnings.

More cottonseed oil and corn oil were used in margarine manufacture in 1936 than in 1935, about the same quantity of oleo, less neutral lard, and considerably less coconut oil. Comparative figures are: Cottonseed oil, 108,106,111 pounds in 1936, 99,504,744 in 1935; corn oil, 1,238,230 (31,671); oleo oil, 18,330,-907 (18,225,799); neutral lard, 2,197,966 (3,005,033); coconut oil, 150,464,567 (174,314,240). Babassu oil, product of a wild Brazilian palm and imported without excise tax, was used to the extent of 16,059,801 pounds (1,838,094 in 1935). Margarine production in 1936 totaled 393,229,970 pounds, against 381,-593,558 pounds in 1935.

* * *

Union Stock Yards Corporation, formed late last year to acquire stock-yard holdings of Swift & Company, would, under completion of contemplated plans, acquire majority control of the stock yards at St. Paul, Sioux City, Ft. Worth, and Toronto and a minority interest in the yards at St. Louis. Control is also held of the yards at Milwaukee, Portland, South San Francisco, and Brighton, Massachusetts.

* * *

Co-ordination of all transport services in Canada under federal jurisdiction will be sought by the Canadian government in its request to be made to the House of Commons to enact legislation empowering it to transform the present railway commission into a board of transport commissioners and vest in it authority to control all aerial, rail, highway, and water transportation and regulate freight rates and tolls.

PERSONAL NOTES

Luke Brite, of Marfa, Texas recently sold to the Merchant Live Stock Company 140 choice heifer yearlings and two cars of bulls. It is the intention of the purchasers to follow the policy of line breeding that Mr. Brite has practiced with outstanding success for many years. Mr. Brite has sold out of his 1936 branding over 800 bulls and has contracts for some of 1937 branding.

1936 BEEF PRODUCTION

Packers last year turned out 5,317,-000,000 pounds of beef, the largest annual total on record, this comparing with 4,564,000,000 pounds in 1935 and with a five-year average of 4,457,000,000. The 1932 beef output was lowest in recent history — 3,939,836,000 pounds. Veal totaled 653,000,000 pounds last year, also a record, compared with 603,000,000 pounds in 1935 and an average of 536,-000,000 pounds. In all, packers under federal inspection produced in 1936, 12,-751,000,000 pounds of beef, veal, pork, lard, lamb, and mutton—the smallest amount since 1921, except 1935.

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